Pets

Bringing together the very best in pet care

Annual Report and Accounts 2025

Our Purpose

To create a better world for pets and the people who love them

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For more information:
Please visit our 2025 Sustainability Report

We provide the best products, services and advice to guide pet owners through their pet care journey.

We are the UK's leading pet care business, offering a unique blend of pet care solutions seamlessly connected across all channels, delivering an unrivalled experience to consumers.

Highlights

Sustainability highlights

250+
own brand complete cat and dog food products carbon footprinted

1.6m
pet meals donated at our pet food collection points

60,000+
children attended a Pets workshop

Financial highlights

Group Statutory Revenue (£m)

£1,482.1m +0.1%

Group Underlying PBT[1] (£m)

£133.0m +0.7%

Group Statutory Profit Before Tax (PBT) (£m)

£120.6m +14.1%

Dividend Per Share (pence)

13.0p +1.6%

1 Alternative Performance Measures (APMs) are defined and reconciled to IFRS information, on pages 143 to 145.

Chair's Statement

Delivering our strategy.

> FY25 has been a challenging but important year for the business. Our two major projects, the optimisation of our distribution network and our digital platform, have been delivered against the backdrop of subdued and volatile consumer demand. With these projects complete our business is well set up for the future.
>
> **Ian Burke, Chair**

Strategy

A clear purpose runs through Pets at Home – 'to create a better world for pets and the people who love them' – and a clear strategy is in place to deliver this.

This strategy is to build an integrated, omnichannel, consumer-centric platform which unifies our unique blend of products, services, and advice, connecting them seamlessly across all channels to deliver an unrivalled experience for consumers. In what has been a challenging year, two key milestones have been delivered that will underpin the business for many years to come.

In March 2024, we initially launched our new digital platform to consumers. While initially disruptive, the team has focused on building functionality through FY25 and enters FY26 with a well-functioning app and website that is expected to drive growth in the business. Early progress has already been seen in subscriptions which represent an important part of the strategy and where the headroom for growth is significant.

In early 2025, the business began the final part of the distribution network optimisation – moving our online sales across to our Stafford DC. By March this was complete and since that point the business has been operating from a single DC.

While significant strategic progress has been made in the year, it has not been without challenge. Across the globe, the pet market has been through a period of subdued growth, while the UK economic backdrop has also been more challenging than many anticipated.

This has impacted our business, but we remain fundamentally strong. We remain the industry leader, the only business that truly integrates product and service, and we finished FY25 with more Pets Club customers, more vets clients and higher customer satisfaction meaning we are well placed for the future.

Our commitment to running a sustainable business is unwavering. Our values and sense of responsibility run deeply through our business and ensure we continue to generate long-term sustainable growth for all stakeholders.

Colleagues

Our colleagues, and their unrivalled skill, passion, and expertise, remain a key strategic advantage. They are the face of our business, and work tirelessly every day to help guide pet owners through their pet care journey.

The last 12 months represent another critical period for the business with important progress made, but also with some challenges. Our colleagues have been central to successfully navigating this and positioning the business well for the future. Personally, and on behalf of the Board, I would like to thank them for their ongoing hard work and dedication.

Governance

During the year, we were delighted to welcome Garret Turley to the Board as an independent Non-Executive Director. Garret is a qualified veterinarian who co-founded and built Pet Doctors, after which he transitioned into private equity focusing on health and education investments. He also has significant board experience. His experience will be of great value to the business.

We also saw Angelique Augereau step down from the Board as an independent Non-Executive Director.

Dividend

The business continues to be highly cash generative, and despite strong levels of investment, we finish the year in an 'adjusted net cash' position.

As such, the Board has recommended a final dividend of 8.3 pence per share, taking the total dividend for the year to 13.0 pence per share. The final dividend will be payable on 16 July 2025 to shareholders on the register at the close of trading on 6 June 2025.

Looking ahead

Looking ahead, the pet care sector remains an attractive market with growth prospects supported by pets increasingly being seen as part of the family. Pets at Home, through our fully integrated omnichannel model, is well positioned to benefit. The significant investments we have made in the business in recent years are now largely complete, but the benefits lie ahead of us. We therefore look to the future with much optimism, and I remain confident that our unique pet care strategy will continue to deliver long-term sustainable value to all our stakeholders.

Ian Burke
Chair
28 May 2025

Market overview

A growing pet care market.

The pet care market remains attractive and in growth.

Market driver:
A stable UK pet population

The UK is a nation of pet lovers, with the pet population now expected to remain stable after a period of significant growth in 2020-22, as it was for many years prior.

Our approach:
We cater for a variety of pet types at accessible locations nationwide and online and offer a wide range of pet products and pet care services. We are increasingly focused on providing a personalised proposition to pet owners, throughout their pet life, catering to all their pet care needs.

Market driver:
Humanisation of pets

Pets are increasingly being treated as a member of the family with a continued trend of selecting higher quality diets, an increased focus on gifting and wellness, and a greater desire to use the very best health care treatments and supplements.

Our approach:
Through our in-store colleagues and online content, we are able to explain the health benefits of feeding your pet a better quality diet. With many colleagues being pet owners themselves, they understand the emotional bond between pets and their owners and we support this with high quality, leading own brands such as Wainwright's and AVA.

Market driver:
Continued channel shift to online

Online penetration of the pet products market continues to increase. Price competitiveness and convenience remain important to the online shopping experience, driven by ease of price comparison and the different delivery options typically offered.

Our approach:
The recent launch of our digital platform and investment in fulfilment capability, are critical in unlocking future growth. However, it is our omnichannel capabilities that differentiate us and our pet care centres play a critical role enabling us to offer products and services to customers however it is most convenient for them.

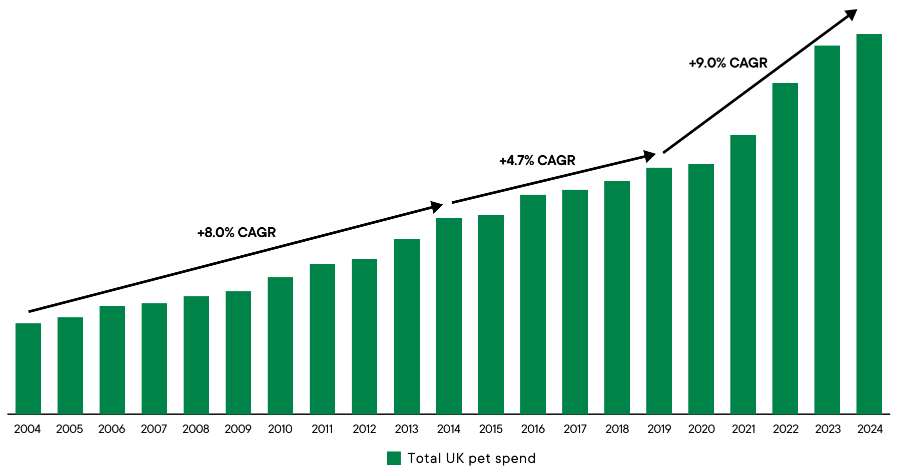
Market driver:
Advances in veterinary care

The veterinary care market continues to advance through scientific research, and the range of healthcare options available to pet owners is increasing. Together with a growing awareness and affordability of pet insurance, more pet owners are able to do what is best for their pet throughout their lifetime.

Our approach:
We aim to partner with the very best veterinarians and vet nurses through our unique Joint Venture model to deliver the best possible care to clients. By locating vet practices across the UK, both inside Pets at Home stores and in standalone locations, and offering 24/7 access to trusted advice through our telehealth business, we make access to this high quality care easy and convenient for pet owners.

For more information:
Please visit www.petsathomeplc.com

UK Pet Market



Source: ONS household spending data

Chief Executive Officer's review

Our platform to deliver future growth is now in place.

"The past two years have seen a profound transformation at Pets at Home. We have moved from a business with a strong presence in pet retail and vets, to a true pet care platform.

Lyssa McGowan, CEO

I am tremendously proud of our colleagues and partners for navigating this challenging but critical period which leaves us in a position to look to the future with confidence. While FY26 comes with its own challenges as we digest externally imposed cost headwinds and heightened macro uncertainty, our objective is clear – to deliver outperformance against our underlying markets, across our business.

Our strategy is clear. We are the UK's only complete pet care provider, and our recent transformational investments will provide a platform for outperformance through unlocking new areas of growth in existing and adjacent markets, generating long-term sustainable value for all stakeholders.

FY25 has been a critical year in the delivery of our strategy, completing and bedding in two major investment programmes, our distribution network optimisation and our digital platform. This investment has been critical to futureproof the business and has required significant focus and resource to deliver, against a challenging and uncertain trading backdrop.

With these two key programmes now complete, our focus is now firmly on delivering the omnichannel benefits of these investments across our 8.2m Pets Club members. We will continue to improve our experience and broaden our appeal as we fully integrate vets, grooming and insurance going forward. Our vision is on track to build the world's best pet care platform, bringing together a best-in-class omnichannel retail proposition with our unique blend of services, through an integrated and consumer-centric experience.

An integrated consumer experience

Our new digital platform is now live, completing a key building block of our strategy.

As consumers interact with our platform, we are seeing increased conversion as consumer journeys are simplified, and higher average baskets as consumer engage with new features.

While FY25 was impacted by the transition to the new platform, we have a long track record of growing our online sales. We expect to return to market outperformance in FY26 and beyond as we leverage our improved capability with a particular focus on subscriptions growth and improved mix through growing own brand and accessories participation.

Our Pet Care Centres remain central to our omnichannel experience. High quality assets in their own right, and also providing an important digital halo, with online sales increasing over 25% in areas with a new Pet Care Centre opening. Our new format stores have performed well, with stronger subscription and Pets Club sign-ups, supporting a broader rollout, with 30 refreshes planned for FY26.

Consumers will continue to benefit as we further enhance our experience, truly integrating our unique blend of products, services and advice. Most importantly, we can begin to use our best-in-class, first party data much more effectively to better meet consumer needs and drive incremental demand.

Growing our recurring revenue streams

Our revenues are increasingly predictable as our business mix improves, with more of our revenues coming from areas such as vets, grooming, and subscriptions. We plan to continue to grow this further with subscription participation still fairly low across our 8.2m Pets Club members and 0.6m non-Pets Club vet clients (of 1.7m total active vet clients).

Spotlight on Sustainability

Acting responsibly has always been at the heart of our business. Our sustainability agenda is fully integrated into our strategy, centred around a shared purpose of creating a better world for pets and the people who love them.

We are proud of the progress we have made this year:

- We have carbon footprinted over 250 of our own brand complete cat and dog food products representing over 65% of own brand complete cat and dog food sales, this is a key enabler to understanding our Scope 3 emissions and prioritising where we take action.
- We have Pet food bank collection points in all our Pet Care Centres, in partnership with the Blue Cross, helping to keep pets in loving homes. In FY25 we collected 1.6m meals bringing the total since this initiative was launched to over 4 million.
- Over 60,000 children attended one of our 'My Pet pals' or 'Scout Association' Pet Care Centre workshops over the course of the year.

For more information:
Please visit our 2025 Sustainability Report

Chief Executive Officer's review continued

The new digital platform has already unlocked strong growth in Easy Repeat subscriptions, which are +35% YoY. These consumers are showing c50% higher frequency and c50% higher ACV than prior to taking out a plan.

We have also recently launched Easy Repeat sign up in store, with over 1,000 sign-ups a day so far. 75% of these in-store sign-ups are opting for 2-4 weekly frequency vs 80% of online sign-ups being 4-12 weeks. In addition, over 90% of new sign-ups are opting for Click & Collect.

Our headroom for growth remains significant, with only c3% of our 8.2m Pets Club members having an active Easy Repeat subscription compared to over 50% of our vet clients who have a Care Plan. Each 1% of consumers moved onto Easy Repeat would add £10m to our revenues.

Our relaunched Care Plans have been a success in driving practice revenue growth. Our Care Plans contributed 9% to Vet Consumer revenue* growth as our relaunched plans resonated well with consumers and we sold more, higher value plans, increasing the stickiness and predictability of our vet revenues.

Differentiated, sector-leading vets

Our unique JV model has delivered another year of double-digit growth and market share gains. Our vet group is a clear #2 in the UK First Opinion sector and is responsible for 33% of our consumer revenues, over 50% of Group underlying PBT* and the majority of Group Free Cash Flow*.

The Nation's Local Vet. The success of our vets business begins with delivering the best outcomes for consumers and their pets. Our practice owners operate with clinical freedom, build their business with a long term, community focus and compete effectively to grow their consumer base, supported by our national brand, platform and industry leading support.

This shows up in differentiated economics for us and our partners. In FY25:

- We increased our brand consideration by 7pts and delivered a 4pts increase in customer satisfaction from already high levels.
- Average practice revenues grew 12.8% to £1.4m.
- Our JV practices reduced total indebtedness by £6.4m to £24.8m and paid c£46m out to partners in dividends, averaging over £150k per debt-free practice.

This year we surpassed our vets FCF* target of £60m. But the ambitions of us and our partners are not satisfied. We will deliver further growth through embedded maturity, the rollout of new practices, and investments in advanced capabilities and extensions. While we expect recovery in Retail FCF* in future, we expect Vets to continue to contribute the majority of Group FCF*.

Practice maturity is not a constraint on our growth, in FY25 sales growth in our 10+ year old practices was 11%. We have a clear track record of growing practice revenues beyond 10-years old through extensions and advanced capabilities and plan for c15 further extensions in FY26 and c100 over the medium term.

We also plan to accelerate our openings, delivering >10 in FY26 and c100 over the medium term.

We remain confident and consistent in our view that our unique JV model still insulates us from many areas of the CMA's concern and await the CMA's provisional findings in July 2025.

Insurance

Our new insurance venture will bring a disruptive, Pets branded proposition to the c£2bn pet insurance market. Pet insurance is the largest vertical outside of Pets at Home's current core operations. It is expected, by Mintel, to grow at c4% per annum reaching c£2.5bn by 2029.We have secured an experienced team, who have a 20% minority stake, to build a capital light, Pets at Home insurance proposition leveraging our brand, data and leading consumer base. We will deliver a disruptive consumer experience by leveraging AI to remove key areas of consumer friction.

We expect to incur start-up losses for around 2 years as we move towards launch and begin building our book of business. We expect to reach break-even point during FY28 before generating meaningful profits thereafter. We believe over time the business is capable of contributing c10% of Group Profits.

Strategic highlights

Key elements of our strategy are now complete.

Distribution optimisation complete

All sales channels now being serviced by our single site distribution centre in Stafford.

Winning on vet talent

Improved attraction and retention, more vets driving growth in visits.

Digital platform complete

Fully cut over and functioning well providing the foundations to leverage our Pets Club data to drive an increasingly personalised consumer experience.

Subscription revenues up +30%

Growth across Easy Repeat and Care Plans, our improved offer and functionality is resonating well.

Vet footprint growth & continued investment in Pet Care Centres

3 new vet practices, 15 practice extensions, 4 new Pet Care Centres and 32 Pet Care Centre refits.

Pet Club member growth continues

8.2m active members are now in the Club, up +5%.

Business model & investment case

Our consumer focused business model and strategy.

Our Vision

To build the world's best pet care platform

Integrated
A unified blend of products, services and advice

- Nutrition
- Accessories
- Preventative Care
- Curative Healthcare
- Grooming & Wellbeing
- Adjacencies

Delivering economies of scope

Omnichannel
Seamlessly connected

- Physical Pet Care centres and practices
- Virtual consultations
- Digital advice and support
- E-commerce, click & collect
- E-pharmacy and telemedicine

Driving economies of scale and higher productivity

Consumer-centric
An unrivalled experience

- Seamless and frictionless
- Easy and enjoyable
- Targeted and personalised
- Simple, unified experience across app, online, physical and virtual

Fuelling consumer and revenue growth

A clear and compelling investment case.

As we look forward, we have refined our medium-term framework reflecting the shape of growth and profits we expect to deliver over the medium term.

Mid-single digit consumer revenue growth
Winning market share through vets and omnichannel growth

Profits growing ahead of sales
Driving efficiency and operating leverage

FCF conversion of Profit After Tax at c90%
Delivering cash profit growth on normalised capex

Excess cash returned to shareholders
A clear and consistent capital allocation policy

For more information:
www.petsathomeplc.com

Key performance indicators

Another year of strategic progress.

To support delivery of our strategy, we have a clearly defined set of key performance indicators.

We are committed to generating shareholder value and financial returns, and therefore focus on three financial metrics we believe are the best measure of our performance. Alongside financial KPIs, we also have KPIs aligned to our strategic progress to ensure we can track delivery against our key objectives.

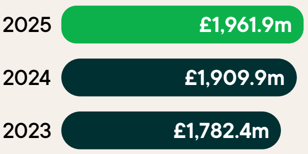
Financial KPIs shown represent those used by the business to monitor performance. Management recognise that as Alternative Performance Measures[1] they differ to statutory metrics, but believe they represent the most appropriate KPIs.

For more information:
www.petsathomeplc.com

Financial performance

Group Consumer Revenue[1] (£m)

£1,961.9m +2.7%



What we are measuring

Group consumer revenue[1] is statutory Group revenue, less Joint Venture veterinary practice fee income, plus gross consumer sales made by Joint Venture veterinary practices. This is an important measure as it includes revenues from practices whether they be under the Joint Venture or Company managed model.

Why is it important?

By growing Group consumer revenue[1] across all parts of our business ahead of the market, we are able to gain market share. In particular, this means focusing on the sales made by general vet practices, whether they be under the Joint Venture or Company managed model.

FY25 Result

Growth driven by Vets, with Vets consumer revenue up 13.0%. Growth driven by higher visits, average transaction values and significant growth in Care Plan revenues. Retail consumer revenue down 1.8%, mainly impacted by a challenging UK consumer backdrop.

Future plans

We expect our strategic initiatives to deliver Group like-for-like[1] revenue growth ahead of the market across both the Retail and Veterinary segments.

Group Underlying PBT[1] (£m)

£133.0m +0.7%

What we are measuring

Group underlying profit before tax[1] (PBT) is based on pre-tax profit before the impact of certain costs or incomes that are excluded as they are not generated from ordinary business operations, infrequent in nature and unlikely to reoccur in the foreseeable future in order to reflect management's view of the performance of the Group. Statutory PBT in FY25 was £120.6m, up 14.1% year on year.

Why is it important?

By generating strong levels of underlying profit, we are able to demonstrate that our strategy remains the right one, and that we are delivering against our strategic objectives.

FY25 Result

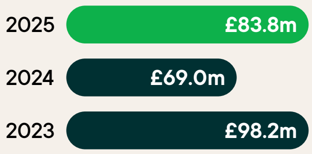
Vet Group underlying PBT[1] of £75.9m up 23.3%, driven by the increase in fee income year on year whilst maintaining a broadly flat cost base. Retail underlying PBT[1] of £72.9m down 16.6%, driven by the impact of lower revenues with gross margins* broadly stable.

Future plans

We expect Group underlying PBT[1] of between £115m-£125m in FY26.

Free Cash Flow[1] (£m)

£83.8m +21.5%



What we are measuring

The cash available for return to shareholders after investing in the needs of the business.

Why is it important?

Delivering free cash flow[1] allows us to make strategic investments in the business to fuel further growth, whilst providing an appropriate return to shareholders.

FY25 Result

Vet Group free cash flow[1] £67.5m up 23.3% due to double digit consumer revenue growth flowing into JV fee income. Retail free cash flow[1] £30.6m up 14.6% due to lower non-underlying costs YoY offsetting the reduced Underlying PBT[1].

Future plans

Generating free cash flow[1] from our vet business remains a significant value creation opportunity. This, alongside profit growth in Retail, will enable Group free cash flow[1] to grow sustainably in the medium term.

1 Alternative Performance Measures (APMs) are defined and reconciled to IFRS information, on pages 143 to 145.

Key performance indicators continued

Strategic performance

Number of active Pets Club members

8.2m +5.0%

2025	8.2m
2024	7.8m
2023	7.7m

What we are measuring
Growth in the net number of active members of our Pets loyalty club. An active member is defined as a consumer who transacted across the group in the last 365 days prior to the end of the reporting period.

Why is it important?
By providing complete pet care through a trusted brand, we will attract more pet owners to engage with the Group, increasing our market share.

FY25 Results
Increased growth supported by new digital platform user journey alongside Pet Care Centre colleague sign ups.

Future plans
We will continue to leverage our integrated omnichannel pet care model to make it convenient and rewarding for consumers to engage seamlessly across our full platform of products, services and advice.

Average Consumer Value

£175 -1.7%

2025	£175
2024	£178
2023	£168

What we are measuring
The average annual spend from our Pets loyalty club members across the Group. This includes all spend across both the Retail and Vet Group businesses.

Why is it important?
Our Pets loyalty club is a unique asset providing data and insight to help us increase share-of-wallet, engagement and loyalty, encouraging further spend across our full pet care platform.

FY25 Result
Faster customer growth than anticipated diluted our overall ACV but our retained customer ACV is growing 1.3% to £216.

Future plans
Continuing to leverage our data capabilities is a key underpin of our future growth plans. We are harnessing our deep actionable insights to better serve the needs of pet owners and deliver more personalised content and offers relevant to each individual pet.

% of consumer revenue[1] from subscriptions

13.0% +30.0%

2025	13.0%
2024	10.0%
2023	6.7%

What we are measuring
The proportion of total consumer revenue contributed by our three core subscription offerings, namely veterinary health care plans, flea and worm subscriptions and our Easy Repeat service.

Why is it important?
The ability to offer consumers convenient pet care through subscription services is a key competitive differentiator for the Group.

FY25 Result
Strong growth across Easy Repeat and Care Plans as our improved offer and functionality resonates with customers.

Future plans
Generating sales from subscriptions is an essential part of being a pet care platform and not solely a retailer. We will continue to focus on growth in this area aided by our new digital platform.

Clinical FTE

3.5k 6.0%

2025	3.5k
2024	3.3k
2023	3.0k

What we are measuring
The number of full-time-equivalent vets and nurses working across our vet practices whether employed directly by the Group or not.

Why is it important?
By creating additional clinical capacity in our vet practices, it enables us to meet the growing demand from pet owners, and further grow our vet business through new practice openings and practice extensions.

FY25 Result
Successful recruitment and retention of clinical talent supported by presence at London vet show and national marketing campaign.

Future plans
By driving improvements in recruitment, retention, and wellbeing, we will ensure we remain the employer of choice for vets and nurses, helping to underpin continued growth across our vet business.

Engaging with our key stakeholders.

Section 172(1) of the Companies Act 2006 requires each Director to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so have regard (amongst other matters) to the:

- Likely consequences of any decisions in the long term;
- Interests of the Company's employees;
- Need to foster the Company's business relationships with suppliers, customers and others;
- Impact of the Company's operations on the community and environment;
- Desirability of the Company maintaining a reputation for high standards of business conduct; and
- Need to act fairly between members of the Company.

Stakeholder engagement takes place at all levels within Pets and is an integral part of how we are delivering on our purpose of creating a better world for pets and the people who love them. The Board engages directly and indirectly with its priority stakeholders with different processes across the business to ensure stakeholder considerations are fully embedded into Board decision-making.

This engagement helps provide a better understanding of stakeholder's points of view and the impact the Group has on them.

The Board has identified its key stakeholder groups as being: (1) Colleagues including Joint Venture Partners, (2) Customers, (3) Charities and Community, 4) Government and Industry Regulators, (5) Investors and (6) Suppliers.

An overview is provided on engagement with all key stakeholders on the following pages 9-12 and more information is contained in the annual report as below.

Responsibility for engagement at an operational level sits with members of the Executive Management Team (EMT) and the oversight is with the Board of Directors.

- Page 25 provides more information on engagement with customers
- Page 24 and 61 provide more information on engagement with colleagues
- Pages 13-15 provides more information on engagement with communities
- Page 71 provides more information on engagement with Government through lobbying

Colleagues

FY25 priorities

- Our Purpose
- Values and Behaviours
- Reward and Benefits
- Training and Development
- Change management
- Engagement and Wellbeing
- Safe and inclusive workplaces

Lead Executive accountability

Chief People and Legal Officer

Board and Day to Day Engagement

- Designated Board member for colleague engagement. Focus during FY25 on active listening to colleagues across the group at all levels through listening sessions and spending time in business areas
- Board members spend time with colleagues in-person at events and on store, practice, office and distribution visit
- 24/7 whistle-blowing line providing confidential pathway for concerns
- Board discussions on key people metrics (e.g. retention, gender pay)
- Multiple channels for colleague communication including refreshed and relaunched intranet, regular news updates, support office, retail and DC townhalls (with virtual dial-in)
- Periodic EMT diary launched following success of CEO diary
- Annual Colleague Conference in May 2024 featuring relaunch of values and behaviours
- COO 'ask email' for retail and vet open to all colleagues
- A Joint Venture Council representing our Joint Venture Partners meets regularly to discuss strategic, operational and clinical matters. It is attended by members of the Vet leadership team. Board members have also attended as guests on two occasions during the year
- Colleague surveys are conducted on specific topics to gain feedback, For example in FY25 a survey on colleague reward was conducted with over 2000 responses.

Key results and decisions FY25

- The board have considered the impact on colleagues as part of restructuring activity that has taken place during the year. This is in relation to the completed head office restructure (project compass) and the store restructuring
- Early stage discussions at the Remuneration Committee in relation to the planned reward and benefits review in FY26 have been informed by the colleague survey and insights gathered during listening sessions
- Practice owners have been engaged in the process of selecting a new practice management system (PMS) and planning the overall project. The Board have considered the practice owner perspective and what practice owners are expecting from the PMS as part of board discussions

Looking ahead

- Change Management inc. technological innovation (e.g. AI)
- Reward and Benefits
- Safe and inclusive places to work
- Culture and values
- Training and development

Stakeholder engagement & S172 statement continued

Customer

FY25 priorities
- Consumer value proposition
- Loyalty and personalisation
- Subscriptions
- Omnichannel
- Expertise credentials
- Digital capability

Lead Executive accountability
Chief Consumer Officer

Board and day to day engagement
- Ongoing listening programme with key insights shared with EMT and Board at regular intervals. Quarterly insights on customer satisfaction platform review (290k customers/clients), brand and ad tracking programme focused on priorities and annual survey to 5000 pet owners.
- Consumer value proposition focus with detailed input from Board and Executives to ensure offering to customers enhanced.
- Programme to understand consumer usage and attitudes towards own-brand pet nutrition to shape future portfolio. Included speaking to over 4,000 pet owners via focus groups and surveys.
- Face to face listening sessions with EMT and groups of lapsed consumers to understand barriers to choosing Pets.
- Pets Club data helping us understand how our customers are shopping.
- Detailed consumer research conducted pre and post new pet care centre and refits. The interventions allowed us to assess the impact on brand perception and customer experience.

Key results and decisions FY25
- Engagement informs our responses to the key issues impacting our customers, including selecting products and seeking advice to care for their pets, convenience and price.
- Investing further in what matters for customers, including our national distribution centre to provide fulfilment for customers in store and online shopping; the development of our Pets Club loyalty club and easy repeat development, pet expert advice and differentiated own brand products.
- Customer and practice owner perspectives have been taken into account in the development of the new insurance offering and what will be important to both as we start to shape the proposition.

Looking ahead
- Loyalty and Personalisation
- Omnichannel and app development
- Own brand
- Easy Repeat (subscriptions)
- Expert pet care advice

Charity and Community

FY25 priorities
- Pet relinquishments
- Strategic partnerships with national rescues on mutual priorities
- Supporting local communities through volunteering

Lead Executive accountability
Chief People and Legal Officer

Board and day to day engagement
- Through our Pets Foundation charity work we engage with and support local and national charities across the UK. As the biggest grant giver to UK pet charities we have invaluable insight into the pet charity sector in the UK.
- Chair of the Board and Sustainability Committee Chair spent time with the Foundation team on and off site with charity partners.
- Attendance at industry events, including roundtables, conferences, Government events enables the Foundation team and trustees to continually listen and engage with all key stakeholders in our sector .
- The Foundation Trustee Board appointed two new external trustees to bring a greater diversity of thought and experience to the Board.
- Our Pets Foundation adoption centres provide a safe space for people to relinquish small pets they can no longer care for and our teams find loving homes for them. We remain the largest re-homing organisation for small pets in the UK.
- All salaried colleagues are given a day to volunteer each year at a cause of their choosing which supports our purpose of creating a better world for pets and the people who love them. 13k+ hours were donated in FY25 from across the business, including the EMT, these days help to connect colleagues at all levels of the business with local community issues.

Key results and decisions FY25
- Insight from the sector on the key reasons for pet relinquishment supported the strategy to fund and support programs such as the installation of pet food collection points in pet care centres to donate to local food banks.
- Engagement with charities on need for pet rescue provision when relinquishment can't be avoided supported decision for ongoing funding of this sector and presence of small animal adoption centres in our pet care centres.

Looking ahead
- Ongoing support of pet rescues
- Strategic partnerships and grants to keep pets with the people who love them
- Community support led by our colleagues who know their communities best

Stakeholder engagement & S172 statement continued

Government and Industry Regulators

FY25 priorities
- Employment and business legislation and policy
- Animal welfare
- Veterinary legislation
- Health and safety
- Technology including AI
- Sustainability

Lead Executive accountability
Chief People and Legal Officer

Board and day to day engagement
- We engage through select MP meetings, official consultation responses to government departments and select committees and hosting visits to veterinary practices or pet care centres.
- Areas of priority include
  - Engaging with policymakers on the importance of a new Veterinary Surgeons' Act. We are calling for legislation that better supports the veterinary profession and enhances their ability to treat animals in their care above the current law which was passed in 1966. A parliament roundtable organised by us supported this call.
  - Feeding back to Government on the Employment Rights Bill to ensure this works as intended for colleagues as well as businesses.
  - Following and engaging on animal welfare specific legislation, such as the Puppy Smuggling Bill and working with bodies like the Animal Sentience Committee to feed back the expert view of Vets for Pets colleagues as policy is considered.
- We also engage through our industry representatives including, the British Retail Consortium (BRC) and British Veterinary Association (BVA). We are represented on working groups including the climate action roadmap.
- We engage on technological innovation such as AI and its impact on the future of work, operational efficiencies and customer experience.
- The CMA's review of the veterinary services sector for household pets continues to provide us with opportunity to articulate and present the benefits of our unique joint venture model. We have represented our and our practice owner views at all relevant opportunities throughout the review.

Key results and decisions FY25
- The board have stayed close to the CMA market investigation and key decisions considering our engagement with the CMA, key updates and decision points in terms of our responses to the market investigation.

Looking ahead
- Employment and business legislation and policy
- Animal welfare legislation advancements
- Veterinary legislation changes
- Technology including AI

Investors

FY25 priorities
Providing context and clarity around the performance of the Retail and Vets business. Alongside making them aware of key events throughout the year. Namely, the CMA investigation into the veterinary sector as well as progress updates on both the new digital platform and distribution network optimisation projects.

Lead Executive accountability
Chief Executive Officer and Chief Financial Officer

Board and day to day engagement
- The CEO, CFO and Investor Relations team are involved in ongoing interactions throughout the year via conference calls, meetings, small round table events, hosting site visits to our pet care centres and vet practices as well as attending investor conferences both in the UK and overseas.
- The CEO, CFO and Investor Relations team have a positive, ongoing and transparent dialogue with our shareholder base and value feedback and insight which is then shared.
- The board regularly receives updates on investor relations, which includes feedback from our principal shareholders to ensure that these views inform decision making throughout the year.

Key results and decisions FY25
- Key issues that matter to shareholders include, the outcome and clarification from the CMA investigation, seeing our two key strategic investments in distribution and digital deliver the benefits which have been spoken about and awaiting to see the Retail business return back into positive LFL territory.
- The investor perspective has been taken into account by the Board in relation to their approach to capital allocation (including buyback) and dividend decisions.

Looking ahead
- As we continue to execute our strategy in the year ahead, it is crucial we keep investors informed of any significant developments within any of our key strategic pillars.

Stakeholder engagement & S172 statement continued

Suppliers

FY25 priorities
- Development of long-term partnerships
- Supplier agreements
- Focus on margin
- Supply chain security and technological innovation
- Growth and innovation opportunities
- Responsible product manufacturing and sourcing
- Supplier climate action programme maturity

Lead Executive accountability
Chief Operating Officer

Board and day to day engagement
- A focus of FY25 was getting the right team structures and leadership in place for our supplier engagement strategy. The trading team are set up to focus on building long term relationships with terms and security that work for us, our customers and set our suppliers up for success.
- The Board receives regular feedback on substantive supplier and partner matters via the CEO and Chief Operating Officer. Trading showcases provide platforms for Board members to engage with the trading team on key priorities and opportunities.
- Key Supplier meetings were hosted by our Chief Operating Officer to reset and align priorities with suppliers for FY25 onwards. This included sessions on innovation and sustainability.
- The supplier engagement strategy includes regular touchpoints including on-site at suppliers, at our offices and pet care centres.
- In September 2024, our largest suppliers attended a one day event in our offices hosted by the COO to receive an overview on strategy, digital developments and sustainability. A Q&A session was held.
- Continued focus on our long term partnership with Cranswick and investment in Meatly, the cultivated meat pet food company.
- Responsible sourcing and manufacturing in our supply chain from a human rights, raw materials and carbon and nature-based impacts perspective remains a key priority and the Sustainability Committee received updates throughout the year.
- Our responsible sourcing handbook details our requirements from a raw material, climate action, packaging and human rights perspective.
- Supplier Climate Action Programme supports supplier climate action and Pets progress on scope 3 emissions.

Key results and decisions FY25
- Building stronger relationships to manage short term issues and deliver our long term strategy.
- Our ongoing collaborative approach to delivering our sustainability commitments has resulted in a deeper understanding of our scope 3 emissions.
- Suppliers covering 76% of retail and vet spend are now registered with our supplier climate action programme and we have seen an increase in the number of suppliers who have carbon reduction plans in place from 14 in FY24 to 25 in FY25.

Looking ahead
- Mutually beneficial partnerships which work for all parties
- Supply chain security
- Growth and innovation opportunities
- Responsible product manufacturing and sourcing
- Supply chain decarbonisation

Sustainability review

Our Better World pledge.

Strategy overview

We call our sustainability strategy 'Our Better World Pledge' and it articulates how we deliver our purpose 'to create a Better World for Pets and the People who love them'. FY25 was the second year of implementation of the refresh of this strategy and we are really proud of the progress that we have made across our new initiatives alongside the ongoing achievements of more established programmes. We believe that this work creates value for all of our stakeholders and sets us apart from other pet care and veterinary businesses.

Our materiality assessment ensures that we prioritise and focus on issues that are important for environmental or social reasons, where we are best placed to act and where we can make a significant impact. We have aligned our strategic priority areas with our business strategy to make sure we are integrating our approach. Our strategic focus on sustainable pet food, advocating for pet welfare, and creating rewarding and sustainable careers in pet care for everyone, are good for the planet, pets and people but also integral to the business' financial sustainability. This alignment is key to driving engagement and action and ultimately achieving our goals.

Embedding our strategy in our business

We continue to have a fantastic response to our volunteering programme called Our Better World Pledge Days, which has remained an underpin to annual bonus for relevant colleagues. Over 13,000 hours have been donated this year and over 2,000 colleagues have participated. Over 50,000 hours have been donated since we launched the scheme in FY22.

In FY24 and FY25, the annual bonus criteria has included a sustainability target representing 10% of the maximum award. The Directors' Remuneration Report from page 61 contains more details.

During the year our planet advocates from across the business have met three times providing collaboration and education opportunities for the advocates and a listening channel for ideas and feedback.

Our revolving credit facility, agreed in March 2022, is linked to sustainability targets. We have financial incentives (or penalties) to accelerate our work on pets, people and planet through targets focused on carbon reduction, supporting pets in need and community action. In the third year of this scheme we have achieved two of the three targets as summarised in the table below. We have missed our target on volunteering hours which was impacted by significant over achievement in the previous year making the target (which is set as 10% growth vs prior year) difficult to achieve. This was exacerbated by headcount reductions which took place during the year reducing the number of eligible colleagues. More details on our sustainability linked loan (SLL) performance can be found in a separate PDF summary available on the Pets at Home Group investor website.

Sustainability linked revolving credit facility: summary of FY25 performance against Sustainable Performance Targets (SPTs)

SPT	ESG Topic	SPT description	Measurement	FY25 target	FY25 actual	Achieved
SPT 1	Scope 1 and 2 carbon emissions performance	location-based (Scope 1 and 2 tCO_2e) intensity	Tonnes CO_2e divided by Group statutory revenue	17.6	15.7	Yes
SPT 2	Lifelines pet charity scheme	Monies raised through the Pets club lifelines scheme	£m	£3.1m	£3.4m	Yes
SPT 3	Community volunteering	Total hours donated through 'Better World Pledge Days' programme	Hours	18,098	13,314	No

Sustainability review continued

Sustainability strategy.

Our Purpose

To create a better world for pets and the people who love them

Planet

To make pet care environmentally sustainable.

By leading in sustainable pet food:
- Environmental impacts on carbon, land use, water and nature.
- Innovative, sustainable packaging.
- Nutritional needs met, affordably.

Highlights
- First UK launch, at our Brentford Pet Care Centre of a pet food product containing cultivated meat produced by Meatly in partnership with 'The Pack'.
- Over 250 complete own brand dog and cat food products have been carbon foot printed representing over 65% of complete own brand dog and cat food sales.
- Over 88 priority suppliers registered with our supplier climate action programme in its first full year.
- Woodland Trust pet memory scheme has completed its fourth year, over £1m donated to date which has created, restored and protected over 8,000 acres of UK native woodland.
- Successful launch of our anaesthetic gas stewardship programme with over 300 practices registered and over 800 anaesthetic ambassadors in place.

For more information about the Planet pillar progress see our sustainability report

Pets

To improve the life of every pet in the UK.

By being the leading advocate for pet welfare:
- Adopting the highest welfare and clinical standards for pets in our care.
- Providing pet owners with the best products, service and advice.
- Using our voice and expertise to advocate for pets.
- Being the largest grant giver to pet charities in the UK.

Highlights
- Our charity 'The Pets Foundation', raised over £5.7m during FY25 and reached a cumulative total over £60m of funds raised since forming in 2006.
- The 'Pets Club' loyalty scheme raised 'lifelines' worth over £3.4m. 'Lifelines' are points earned through spending in our pet care centres, vets or groomers that are then converted into vouchers and donated to local and national pet charities.
- Pet food collection points are in all stores, in partnership with the Blue Cross. During the year we dedicated a specific fundraising event to this initiative which contributed to us donating pet food which has enabled over 1.6 million pets to be fed for one day in FY25 and over 4 million since the pet food bank initiative was first introduced in FY22.

For more information about the Pets pillar progress see our sustainability report

People

To be the best employer and developer of pet care talent.

By creating rewarding, sustainable careers in pet care for everyone:
- Continuous investment in pet care expertise.
- Compelling clinical careers and development opportunities. Colleagues fully representing our diverse communities.

Highlights
- Increase of 10% in our vet nurse apprentices, and our vet graduate programme has 304 graduates across both cohorts.
- 1044 colleagues have been trained to pet care expert level and we have over 2000 suitably qualified persons (SQP) working in our pet care centres.
- Over 6,000 colleagues have completed the four modules of our nutritionist core training programme and over 1,500 have completed the five modules of the intermediate level nutritionist training.
- Development of our diversity data, exceeding our target with over 86% data completion rates for support office and retail based colleagues.
- Over 13,000 volunteering hours donated, bringing the cumulative total to over 50,000 hours since the scheme launched in FY22.

For more information about the People pillar progress see our sustainability report

Sustainability review continued

Looking ahead.

As we look ahead to this year we have some clear priorities outlined which will enable the implementation of our strategy.

For more information:
Please visit our 2025 Sustainability Report

Planet Pillar

In the current unprecedented global political and economic situation there remain challenges in delivering our ambitious carbon emissions reduction targets where broader national and international systems changes are required. For example the development of battery technology and supporting charging infrastructure for heavy goods vehicles, the continued decarbonisation of the grid and the adoption of regenerative and more sustainable agricultural practices. While we acknowledge that we won't be able to meet our targets without progress in these complex areas, we are committed to focussing on where we have the opportunity to make the biggest impact, as the UK's leading pet care business.

Within our planet pillar we will prioritise opportunities in our business and our broader value chain to reduce our emissions and understand our impact on nature. Our supplier climate action programme will continue to be extended to more suppliers and we will start to track their progress across our carbon maturity framework. We have prioritised suppliers in our retail supply chains where the majority of our Scope 3 emissions sit. Going forward we will extend this to our priority vet and goods not for resale suppliers. We will look to extend the carbon foot printing of our own brand complete cat and dog food products to the majority of our ranges; we have already completed over 250 by the end of FY25. This data is now being used to inform new product developments and new product lists and to feed into reformulations of existing ranges. We have also got sufficient insight to start to educate our colleagues so that they can support pet owners who seek to include sustainability considerations into their decision making criteria.

Veterinary specific planet initiatives

Within the Vet Group we will continue to promote our anaesthetic gas stewardship programme to our practices and roll out our successful trial of reusable surgical textiles and flexible plastics recycling schemes to practices.

Antimicrobial stewardship is an area on ongoing focus following the launch of guidance to practices and our continued involvement in a multi- year ground-breaking antimicrobial usage research project in partnership with the Royal Vet College and Vet Compass. This project focuses on improved stewardship in veterinary antimicrobial usage across all of our practices using a blended qualitative and quantitative approach.

Pet pillar

Good things happen every time our pets club customers shop with us and their loyalty earns lifelines which are converted into vouchers donated to local and national charities.

The Pets Foundation will continue to be there for pets when they need us through our fundraising and grant programme and to support programmes that support people through pets. We will measure and report on the impact that donations from the Foundation and other charitable activity has on pets and people.

People pillar

From a people perspective we will be further developing our market leading pet expertise and clinical programmes. After the first full year with our three clinical academy hubs and on line offering, we will continue to develop our offering to meet the needs of our clinical colleagues.

We are focused on increasing the representation of ethnic diversity amongst our colleagues to better connect with diverse pet owners and reflect the communities we operate in. Although we have seen a material increase from 3% to 5.6% in two years, we have significant opportunity ahead. We will be further developing our inclusive recruitment processes, and inclusive leadership education to enable our leaders and managers to fulfil new representation goals in an authentic and credible way. We'll be monitoring progress through our enhanced diversity data capture and reporting.

We will also continue to consider gender diversity at all levels across the Group. For the purposes of section 414C(8) of the Companies Act 2006, as at the end of FY25, the gender split of colleagues was as set out below:

	Male	Female	Non binary/ prefer not to say/ unknown
Directors of Pets at Home Group plc	4	3	0
Senior managers[1]	63	69	1
Total colleagues[2]	4,336	13,368	362

1 Senior managers includes Executive Management Team and colleagues at functional director and head of level.

2 Includes colleagues employed by Group entities and joint venture practices.

Our Sustainability Report provides stakeholders with an overview of our sustainability strategy and performance against our targets. The Sustainability Committee report (including our TCFD statement) is on page 47.

Chief Financial Officer's review

Resilient profits and solid cash generation.

> In an environment that presented many challenges in FY25, we have shown great discipline to deliver resilient profits and improved free cash generation alongside delivery of two key elements of our strategy.
>
> **Mike Iddon, CFO**

Financial review of FY25

The FY25 period represents the 52 weeks from 29 March 2024 to 27 March 2025. The comparative period represents the 52 weeks from 31 March 2023 to 28 March 2024.

The Group's results are shown as three segments that represent the size of the respective businesses and our internal reporting structures; Retail (includes products purchased online and in-store, pet sales, grooming services and insurance commissions), Vet Group (includes general practices and our veterinary telehealth business) and Central (includes Group costs and finance expenses).

Revenue

Group consumer revenue* grew 2.7% to £1,961.9m (Vet Group up 13.0% to £655.1m, Retail down 1.8% to £1,306.8m).

Group statutory revenue grew 0.1% to £1,482.1m with like-for-like (LFL*) revenue down 0.4%.

Vet Group statutory revenue was up 16.8% to £175.3m with LFL* revenue up 16.2%.

- LFL* growth was higher than Joint Venture fee income which grew by 15.2% to £103.4m.
- Revenues from company managed practices increased by 17.7% to £52.5m.
- The Vet Connection (our telehealth business), generated revenue of £4.0m, +24.7% YoY
- During FY25 it became necessary to reappraise our approach to Care Plan recognition due to changes in the consumer proposition that resulted in a mismatch between cash receipts and revenue recognised using the previous approach. Under the new approach cash receipts and revenue recognised are closely aligned.
- This change resulted in a £19.9m increase in consumer revenues* recognised in FY25 and a £4.9m increase in underlying PBT*. The £4.9m increase in underlying PBT* is greater than previously expected due to a higher level of consumer revenues* from Care Plans and a higher proportion coming through our full consolidated company managed practices than previously expected.

Retail statutory revenue was down 1.8% to £1,306.8m with -2.0% LFL* growth.

- Throughout FY25 our LFL* performance was impacted by a subdued UK consumer backdrop, a deflationary environment and the impacts of normalisation of new pet ownership.
- We also experienced some disruption in our online revenues from transitioning to our new digital platform and, in the latter part of the year, in moving our online sales across to our Stafford distribution centre, which was expected.
- By category, Food sales declined 1.2% where we saw elements of deflation due to higher promotional participation across the industry. Accessories was down 3.5%. Discretionary accessories remains the most impacted area due to the subdued consumer backdrop, down 5.9%. Consumable accessories was up 0.7% reflecting strong volume performance.

FY25 Financial Highlights

Group Statutory Revenue	Group Underlying PBT*
£1,482.1m	£133.0m
+0.1%	+0.7%
Group Statutory PBT	**Dividend Per Share**
£120.6m	13.0p
+14.1%	+1.6%

* Alternative Performance Measures (APMs) are defined and reconciled to IFRS information, on pages 143 to 145.

Chief Financial Officer's review continued

Gross margin

Group gross margin[1] increased YoY by 17bps to 46.9%. Vets contributed 22bps towards the Group movement, with Retail down 5bps.

- Gross margin[1] within the Vet Group increased by 118bps to 52.6%. The main contributor being strong sales performance within our Joint Venture estate leveraging a relatively fixed cost base and we also saw strong sales and profit conversion within our Company managed practices.
- Gross margin[1] within Retail was 46.1%, a 7bps YoY reduction due to adverse mix due to faster growth in food and non-discretionary accessories. FX partially offset this due to a favourable FX contracted rate in FY25 ($1.26) vs FY24 ($1.19). For FY26 we are currently hedged at a rate of $1.27.

Operating costs

We managed our cost base tightly in FY25. Operating costs[2] of £558.3m were 2.4% lower, driven by a £13.9m reduction in non-underlying costs. In FY25, we incurred a total of £12.4m of non-underlying operating costs (FY24: £26.3m). Before non-underlying costs, underlying operating costs[2] were flat YoY despite the headwinds of National Living Wage increases (c£16m) and the removal of business rates relief (c£2m).

For FY26 we will continue to keep a tight grip on our costs. FY26 will be another year where we face higher than usual cost inflation including externally imposed cost headwinds of:

- +6.7% National Living Wage increase and higher National Insurance contributions – c£18m in FY26 taking the cumulative cost of NLW and NICs absorbed over the last 3 years to c£48m.
- New plastic packaging regulations – c£2m.

In addition, we have made choices to continue to invest in the future of the business in the form of higher marketing (c£3m) and the rebuild of bonuses (c£10m).

Where possible we will be mitigating these costs as well as other cost headwinds we face through our ongoing productivity initiatives, our investments in automation and our ongoing programme of lease renegotiations totalling c£30m in FY26.

As a result of our productivity actions, in FY26 our operating costs[2] will grow no more than 5%, against gross cost inflation closer to 10%. The extent to which we can further mitigate cost inflation will depend on the rate of sales growth we are able to deliver, which is dependent on how consumer demand evolves and how inflation comes through.

Finance expense

The net finance expense, including interest charged on lease liabilities, increased to £15.8m (FY24: £13.6m). Of this, £13.2m (FY24: £13.3m) related to interest expense on lease liabilities.

Profit before tax (PBT)

Group statutory PBT of £120.6m increased £14.9m (14.1% YoY) due to a £13.9m reduction in non-underlying costs. The bulk of non-underlying costs were due to the completion of our distribution network optimisation programme. No non-underlying costs are expected to be incurred in FY26.

Group underlying PBT* was £133.0m (FY24: £132.0m), with underlying PBT margin[3] of 9.0%, up 5bps YoY, due to a greater profit contribution from the Vet Group, which has now overtaken Retail contribution.

Vet Group statutory PBT was £75.9m (FY24: £58.8m). Vet Group underlying PBT* was £75.9m (FY24: £61.6m) with underlying PBT margin[3] of 43.3% (FY24: 41.0%), driven by a strong sales performance leveraging a broadly flat cost base.

Retail statutory PBT was £66.9m (FY24: £64.8m). Retail underlying PBT* was £72.9m (FY24: £87.4m) with underlying profit margin[3] of 5.6% (FY24: 6.6%). With gross margins broadly stable and operating costs held flat, the profit decline was driven by the decline in sales.

Central costs of £15.8m (FY24: £17.0m) includes payroll costs for Group functions, professional fees, and Plc- related costs. Central costs also include the initial Insurance set up costs of £0.4m which were incurred in FY25, with c£3m expected to be incurred in FY26.

Taxation, profit after tax, and EPS

- Total tax expense was £32.4m for the period. The effective tax rate for FY25 is 26.7% (FY24 25.1%), which is higher than the UK corporation tax rate due to prior year adjustments in relation to deferred tax which is expected to unwind in future years with no future impact on cash tax.
- Statutory profit after tax increased by 11.4% to £88.2m.
- Statutory basic earnings per share (EPS) were 19.0 pence (FY24: 16.6 pence) and underlying basic EPS* were 21.0 pence (FY24: 20.7 pence).

Working capital

The cash flow movement in working capital[4] for FY25 was an outflow of £3.3m, (FY24: £4.6m outflow).

Compared to FY24 last year:

- Inventories increased by £9.4m YoY as we intentionally built up online stock levels to support the operation as we transitioned to Stafford DC, which is expected to unwind in FY26.
- Trade and other receivables increased by £0.9m YoY, driven by the reducing Vet Group operating loan balance offset by timing differences in supplier-funded marketing activity.
- Trade and other payables have increased by £10.7m YoY linked to higher levels of inventory.
- Provisions decreased by £3.7m YoY as we unwound the restructuring costs provided for in FY24 linked to the now complete Distribution network optimisation programme.

Investment

Capex was £45.9m (FY24: £42.9m/FY23 £75.4m) signalling an end to peak investment in our strategy.

Investment remained focused on three strategic growth areas;

- £12.1m (FY24: £9.5m) digitising the business via our new digital platform.
- £5.0m (FY24: £6.4m) investment into distribution via our network optimisation.
- £27.9m (FY24: £25.9m) investment into our Pet Care Centre estate including new Pet Care Centres and refits.

Chief Financial Officer's review continued

Free cash flow*

Free cash flow* (FCF), was £83.8m (FY24: £69.0m) represents an 86% FCF* conversion against underlying profit after tax.

- Vet Group FCF* £67.5m up 15.8% due to double digit consumer revenue* growth flowing into JV fee income.
- Retail FCF* £30.6m up 14.6% due to lower non-underlying costs YoY offsetting the reduced Underlying PBT*.

Free cash flow* (£m)	FY25	FY24
Underlying PBT*	**133.0**	**132.0**
interest (net)	15.8	13.4
Depreciation (underlying)	98.8	101.7
Underlying EBITDA	247.6	247.2
Share-based payment charge	5.9	5.9
Non-underlying cash costs[5]	(11.3)	(18.3)
Lease payments[6]	(80.1)	(82.2)
WCAP	(3.3)	(4.6)
Operating cash flow	**158.8**	**147.9**
Capex[7]	(48.4)	(48.0)
Bank Interest (net)	(1.8)	1.0
Debt issue costs	0.0	(0.9)
Tax	(20.9)	(20.2)
Purchase of own shares (employee share schemes)	(3.9)	(10.8)
Free cash flow*	**83.8**	**69.0**

Divisional free cash flow	FY25	FY24
Retail	30.6	26.7
Vet Group	67.5	58.3
Central	(14.3)	(16.0)
Group*	83.8	69.0

- The cash generation described above, enables us to invest to grow our business as well as fund our dividend payment and £25m buyback programme. Our closing net cash position* at the end of the period was £6.2m (cash £39.5m, debt £33.3m), and total indebtedness* was £342.1m post lease liabilities (£348.3m). This represents a leverage ratio* of 0.0x underlying EBITDA or 1.4x on a lease adjusted basis.

Net cash* (£m)	FY25	FY24
Opening net cash*	8.8	54.7
Free cash flow*	83.8	69.0
Equity dividends paid	(59.7)	(60.7)
Share buyback	(25.1)	(50.3)
Acquisitions	(2.3)	(2.4)
Disposals	0.7	(1.5)
Closing net cash*	6.2	8.8
Pre-IFRS 16 leverage*	0.0x	(0.1)x
Lease adjusted leverage*	1.4x	1.5x

The Group's underlying cash return on invested capital (CROIC)* in the period decreased to 18.5% (FY24: 19.4%) having been through a period of peak investment as we built our digital platform and optimised our distribution network down to a single site, with the cash benefits to come in future years.

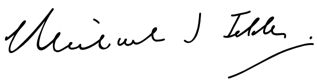
Capital allocation

Our capital allocation policy prioritises investing cash in areas that will expand the Group and deliver attractive returns. These areas include organic investment (into our digital capability, our infrastructure, and our store refit programme), our dividend policy (targeting a payout of 50% of earnings per share over the medium term) and value-accretive opportunities including M&A (which are strategically aligned to expanding our platform in core and adjacent markets).

We will return to shareholders any surplus cash after these items, and it is the Board's intention to review this on an annual basis. Having completed £125m in share buybacks over the past three years, reducing the shares in issue by c8%, we plan a further £25m buyback in the current financial year.

Dividend

The Board has recommended a final dividend of 8.3 pence per share, taking the total dividend for the year to 13.0 pence per share (FY24 12.8 pence per share). The final dividend will be payable on 16 July 2025 to shareholders on the register at the close of trading on 6 June 2025.



Mike Iddon
Chief Financial Officer
28 May 2025

* Alternative Performance Measures (APMs) are defined and reconciled to IFRS information, on pages 143 to 145.

1 Gross margin is calculated as gross profit as a percentage of revenue.
2 Operating costs are the sum of selling and distribution expenses, administrative expenses, other income and non-underlying costs.
3 Underlying PBT margin is calculated as underlying profit before tax as a percentage of revenue.
4 Working capital is the sum of YoY movements in trade and other receivables, inventories, trade and other payables, and provisions.
5 Non-underlying cash costs excludes income from disposal of investment (£2.3m) and non-underlying depreciation of right-of-use asset (£3.4m).
6 Lease payments are cash payments for the principal portion of the right-of-use lease liability, they also include costs to acquire right-of-use assets and the right-of use asset costs.
7 Capex is proceeds from the sale of property, plant and equipment less costs to acquire right-of-use assets and acquisition of property, plant and equipment and other intangible assets. It also includes investment capital contributions and proceeds from repayment of partner loans.

Risk review

A practical approach.

Effective risk management is an integral part of running our business and is fundamental to us achieving our strategic objectives, implementing core business initiatives, and protecting long-term stakeholder value.

Risk management

The Board is responsible for the nature and level of the principal risks we are willing to take and have overall responsibility for the Group's risk and internal control frameworks and for reviewing the effectiveness of these at least annually. As such they have approved our principal risks as set out on pages 21 to 29.

Risk governance

The diagram below provides an overview of our risk governance framework and responsibilities for risk management that support this.

Top down
Oversight, identification, assessment and mitigation of principal and corporate risks

Escalation

Bottom up
Identification, assessment and mitigation of risk across key business areas

Principal risks and uncertainties

Board
- Sets strategy
- Collectively responsible for managing risk
- Sets tone from the top
- Sets risk appetite, risk tolerance and determines the nature and level of principal risks
- Horizon scans for emerging risks

Corporate risks

Executive Management Team (EMT)
Collectively responsible for identifying and managing risk, and monitoring risk exposure

Audit and Risk Committee (ARC)
- Oversees the Group's internal control and risk management frameworks
- Provide oversight and challenge to the assessment of principal, corporate, and emerging risks
- Advises the Board on risk appetite

Business risks

First line of defence

Operational senior management & risk champions
Ensure risk management process is adhered to

Management Committees
Provide a strategic, operational and Group-wide lens to the management of corporate level risks

Second line of defence

Business assurance functions
Monitor compliance with policies and procedures and provide assurance over business controls to the management committees and the EMT

Operational risk
Monitor adherence with risk appetite framework implement risk management processes and risk framework improvements

Third line of defence

Group Internal Audit
- Provides objective assurance to the Board and ARC on the effectiveness of the risk management framework
- Risk-based internal audit plan approved through a direct reporting line to the ARC
- Respond to new areas of risk or change and re-prioritise plan throughout the year

For further details about key roles and responsibilities within our governance structure, please see the Governance Report on page 34.

Risk review continued

Risk management process

Our risk management process has five steps, integrated across the three lines of defence and our governance framework. Having a top down, bottom-up approach gives us a comprehensive view of risks, either current or emerging, their status and the effectiveness of mitigation plans. An appropriate level of oversight and assurance is provided through this process.

1 & 2. Identify and assess – Each business, function and key project team identify their current and emerging risks considering their strategic plan, objectives, and external environments. A standardised risk scoring methodology is used across the Group to analyse risks. This helps the escalation and consolidation of risks into a Group-wide view. Horizon scanning exercises are conducted with the senior management team as part of the annual strategy and business planning cycles and risk management processes.

3. Manage – Each business, function and key project maintain detailed risk registers and mitigation plans which are reviewed and approved by their leadership teams and the appropriate EMT member three times a year. Each principal, corporate and emerging risk is owned by a member of the EMT who is accountable for confirming that adequate controls and necessary mitigation plans are in place to bring the risk within an acceptable tolerance. A range of risks which are not currently considered significant enough to be included on the corporate risk register are managed on an ongoing basis.

4. Monitor – Each risk register is reviewed by the relevant senior management team at least three times a year before submission to the EMT. Threats on the watch list are reviewed alongside the risk registers. Risk scoring and key risk indicators are also reviewed to track the risk and progress of mitigation plans. Assurance is obtained from across the three lines of defence to support this process. Risks are also reported to relevant management committees.

5. Report – The corporate risk register is reported to the EMT, Board and ARC three times a year. Risks are considered both independently and collectively alongside emerging risks to fully understand their dependencies and potential impact on the business. The ARC conducts deep dives in key risk areas with the EMT and functional leadership teams. The principal risks and uncertainties are submitted to the ARC ahead of final review and approval by the Board.

Emerging risks and opportunities

We define emerging risks as those that can potentially have a significant impact on the Group in the medium to long term, where the full extent of the scale, impact, or likelihood may not be fully understood but needs to be tracked. Identification and review of emerging risks and opportunities follows our risk management process described above. Emerging risks considered a priority are summarised against each principal risk.

Climate risks

Climate change risks are also integrated into our risk management process. Actions identified are captured on the Group's risk register and are monitored by the Sustainability Committee (supported by the ARC). Details of this and our overall approach can be found in our Sustainability review on page 13.

Material Controls

The ARC receives bi-annual updates on internal controls. During the year, we have made progress in planning for compliance with the requirements of the UK Corporate Governance Code 2024. Key activities include:

- Defining material controls
- Enhancing our Risk and Control framework with particular focus on data governance, AI, pet welfare and improvements in the operation of some key IT operational controls
- Agreeing our assurance approach

These will remain key areas of focus as we continue to embed control improvements ahead of our March 2027 compliance date.

Risk review continued

Risk Profile/Risk Appetite: L Low M Medium H High **Change on previous year:** <> Stable ^ Increased v Decreased

Brand & reputation

Owner: Chief Consumer Officer
Risk Type: Strategic

Links to strategy 1 2 3 4 5 6 7 8 9 | Risk profile H | Risk appetite L | Change on previous year: <>

Description

Protecting and enhancing our strong brand value and holding pet welfare as our number one priority is essential in attracting and retaining our consumers and clinical talent and the trust and value our stakeholders place in us. This is the responsibility of every colleague. We are aware that trust and reputation can quickly be lost so we continuously monitor and ensure that our business actions align to pet welfare and consumer and clinical expectations.

Key responses

- The Pet Welfare Committee upholds and drives animal welfare standards within our own operations including the quality and welfare considerations of our products and services.
- The majority of practices are accredited or working towards being accredited under the RCVS Practice Standards Scheme (PSS).
- Rigorous pet welfare standards are in place and operationalised through quarterly unannounced audits across stores, in-store adoption centres, and grooming salons. Quarterly announced audits and three separate, external, independent veterinary-led audits each year for each animal supplier.
- Risk-based product safety and integrity testing and inspection programme to monitor ongoing safety compliance of our own label products.
- Own label products developed with the support of the Group's internal veterinary expertise and external behavioural experts.
- Dedicated Compliance Team to monitor customer reviews and customer complaints.
- Tested product recall procedures.
- Conducted monthly research with our consumers and wider market to understand their changing needs and expectations and understand their opinions and expectations on our brand to drive business action.
- Third party media, digital and social media monitoring service in place to track corporate and consumer brand references. Ongoing horizon scanning to identify and track emerging themes and threats.
- Onboarded an integrated corporate affairs agency to support with media engagement and corporate reputation management.

Outlook and further actions planned

- Protecting, enhancing, and communicating our strong brand value will remain our focus in FY26, with core messages around pet welfare and clinical expertise.
- We will continue to support the CMA enquiry through to their conclusions during FY26 and ensure that outcomes are put into practice with the best interest of consumers.
- A new Clinical Governance and QI Framework will be rolled out over FY26. We are committed to continual monitoring, improving capability, and supporting our colleagues and supply partners to maintain high pet health and welfare standards.
- Review of clinical complaints processes and management reporting.
- Implementing a comprehensive brand and consumer tracking programme to continually monitor our consumer expectations, brand health and consumer reputation. The results will drive business action where required.
- Establish stronger processes for managing digital and social media risks.
- Continue to build a credible and visible evidence-based active leading voice on pet health and welfare with consumers and the pet care industry to drive the highest standards and change where required. Provide expert opinion to decision makers around potential changes to the Veterinary Surgeons Act 1966.
- Review of Non-Traditional Companion Animals (NTCA) and how we respond and educate.
- Introducing new data-driven platforms to identify and monitor product safety risk and improve reporting on raw material source.

Emerging risks

- New and emerging animal diseases particularly associated with imported pets.
- Veterinary professional regulatory changes.
- Veterinary professional and public opinion around the keeping and selling of NTCA.

Risk appetite

We place the welfare of pets and the value of our brand at the front and centre of all we do, along with our societal responsibilities in relation to the planet and people. The Group has low appetite for any risk which may compromise the trust and value which our communities and stakeholders place in our brand.

Link to strategy

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Risk review continued

Information security and business critical systems

Owner: Chief Information Officer
Risk Type: Operational

Links to strategy 1 2 3 4 5 6 7 8 9 | **Risk profile** L M H | **Risk appetite** L M H | **Change on previous year:** <>

Description

The availability and security of our IT systems and accurate data is vital for us to operate safely whilst maintaining the security of customer, colleague, and Company confidential data.

Key responses

- Continued to invest in our cyber security position delivering the cyber security strategy.
- Continued to invest on colleague awareness and training across the business.
- Expanded out detection and response capabilities, launched our third-party risk management process to reduce third-party risk.
- Updated colleague authentication controls to reflect industry best practices including Multi Factor Authentication and passwords.
- Provided six monthly updates to the ARC.

Outlook and further actions planned

- Our Cyber Security strategy, that began in FY23, is designed to take a risk-based approach to improve our security maturity, minimise the likelihood of and increase the ability to identify and respond to a cyber-attack.
- We continue to measure our security maturity and identity improvements in line with industry best practices.
- The strategy includes colleague awareness and training, improved third-party risk management and privilege account management.
- We continue to monitor for emerging and changing threats to ensure we appropriately respond and protect against an ever-adapting threat landscape.
- We are continuing to invest in a programme of activity to improve our IT controls framework and identity and access management, which will further support our Cyber Security strategy and system resilience.

Emerging risks

- Artificial Intelligence has been observed in increasing the complexity and volume of attacks such as phishing as the threat actors automate processes.
- Geopolitical situations are creating more advanced attacks, which may inadvertently impact our business or be repurposed by organised cybercrime gangs.
- As more companies become victims of cyber-attacks, customers and colleagues who reuse emails and passwords become an attack vector.

Risk appetite

The Group has zero tolerance for cyber security risk which may compromise our reputation, our technology solutions, and the personal data within them. We endeavour to protect our data in line with legislation and best practice. The Group accepts a balanced level of operational technology risk to protect and enhance our operations. We have plans in place to minimise the likelihood and impact of any business-critical technology failure.

Omnichannel consumer proposition

Owner: Chief Consumer Officer
Risk Type: Strategic

Links to strategy 1 2 3 4 5 6 7 8 9 | **Risk profile** L M H | **Risk appetite** L M H | **Change on previous year:** <>

Description

A key part of the Group's strategy is to grow and strengthen our omnichannel pet care platform, which offers a wide range of pet product and services through both physical and digital channels. If we fail to deliver our planned growth and maintenance in our footprint, or fail to invest sufficiently in our digital and consumer capacity and capability, our expected growth and financial performance could be adversely impacted.

Key responses

- Opened 4 new pet care centres and completed 32 pet care centre refits.
- Opened 3 new vet practices and completed 15 practice extensions; and significantly enhanced our practice partner pipeline.
- Completed the transition of our multichannel operations to our single-site distribution centre.
- Continued to enhance our digital pet care platform, across seven themes: 'attract' (driving traffic to the platform), 'engage' (ensuring customers find what they need), 'convert' (turning platform sessions into sales), 'retain' (increasing customer satisfaction and loyalty), 'platform' (optimising the platform infrastructure and underlying processes), 'insights' (equipping business teams with actionable insight to drive improvements), and 'customer service' (equipping the team with the capability to serve customers).
- Made progress in our consumer data utilisation, offering much improved, personalised user experience and functionality across app and website.
- Maintained flexibility across our entirely leased store estate.

Outlook and further actions planned

- The Group is in a strong competitive position through our unique omnichannel pet care model.
- We will continue to invest in our physical locations (both pet care centres and vet practices), including new sites, refits and extensions, as well as in the key enabling infrastructure, in particular our supply chain and digital pet care platform.
- We will continue to evolve our consumer value proposition based on consumer insights, offering ever more personalised and bespoke consumer journeys to enable us to maximise our share of wallet across our consumers' pet care spend.

Emerging risks

- Speed of change in innovation and advances in pet care and clinical technology.
- Cost increases seen in materials and labour.
- Material changes in customer behaviour and needs, driven by concerns around affordability, sustainability, and the environment making pet ownership less attractive.

Risk appetite

We have a higher appetite for risk in the creation of long-term value, developing our strategy and taking advantage of opportunities. In the execution of our strategic initiatives, where we need to maximise benefits realisation, we will only accept a moderate level of risk.

Link to strategy

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Risk review continued

Sustainability and climate change

Owner: Chief People and Legal Officer
Risk Type: Operational

Links to strategy 1 2 3 4 5 6 7 8 9 | **Risk profile** L M H | **Risk appetite** L M H | **Change on previous year:** <>

Description

The success of our business over the long term depends on the Group operating sustainably in financial, environmental, and social terms. Our stakeholders, including investors, colleagues and customers need to be assured that we are acting responsibly across our business operations and supply chains. If we do not meet these expectations the Group's brand reputation, licence to operate and financial performance could be threatened. This includes progressing towards our 2040 net zero target across our own operations and our value chains and over the long term managing the physical risks from climate change and the transition risks from failing to effectively decarbonise our business.

We have a sustainability programme 'Our Better World Pledge' with governance covering the different areas of the business in relation to environmental responsibilities. This is important as we navigate the need to balance commercial decisions with environmental and regulatory requirements and management of potential increased costs of sustainable materials. This governance also oversees consideration to potential future disclosure requirements such as The Taskforce on Nature-related Financial Disclosures (TNFD).

Key responses

- Long-term SBTi approved (2040) net zero and medium-term (2030) carbon reduction targets in place.
- Assessment of physical and transitionary climate change-related risks (see TCFD statement page 49).
- Allocation of capital across our five year strategic planning horizon to enable the delivery of further operational carbon reductions. In FY25 this has been used to finance the instalment of solar panels on the roof of our new distribution centre in Stafford.
- Development of decarbonisation programmes including :
  - Successful launch of Supplier Climate action programme to support our suppliers' decarbonisation plans.
  - Focus on pet food sustainability with a sustainability analyst in place who is leading the carbon foot printing of our own brand complete dog and cat food products.
  - Establishment of the sustainable anaesthesia programme with vet practices to enable them to manage their use of anaesthetic gases within a framework of clinical excellence.

Outlook and further actions planned

- Our progress in delivering our updated sustainability strategy, 'Our Better World Pledge' can be found in summary on page 13 and in our separate Sustainability Report. This includes our performance against our targets relating to sustainability and climate change.
- We will continue to progress the initiatives that we launched during FY25 including:
  - supplier decarbonisation support.
  - carbon foot printing all our priority complete own brand cat and dog products.
  - expanding our vet practices specific programmes including anaesthetic gas stewardship, surgical textiles and flexible plastics recycling.

Emerging risks

- Our TCFD scenario analysis identified 'declining pet ownership in a warming world' as an emerging risk. Our TCFD statement on page 49 explains this risk in more detail.

Risk appetite

The Group takes its responsibilities in relation to sustainability seriously, not only because it is the right thing to do, but because it is critical to ensuring the sustainability of the business. We define sustainability as achieving environmental sustainability, social sustainability as well as financial sustainability and all three of these dimensions are critical to creating value in the long term.

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Risk review continued

People and organisational capability

Owner: Chief People & Legal Officer
Risk Type: Strategic

Links to strategy 1 2 3 4 5 6 7 8 9 | **Risk profile** L M H | **Risk appetite** L M H | **Change on previous year:** <>

Description

Our 18,000+ colleagues and Practice Owners are fundamental to the success of our business. It is essential that we attract, retain, develop, and reward our talent across the Group. Having the right talent with the right skills, capabilities and expertise, alongside succession planning will help us meet the needs of our customers, drive our customer-centric, omnichannel pet care ecosystem and deliver our business strategy.

Key responses

- Carried out a company-wide survey on rewards and benefits to gain better understanding of our colleague preferences. This is to inform and guide our thinking on our reward strategy for FY26.
- Changed focus to colleague engagement and listening through face to face sessions with a Board member.
- Continued development of career pathways to retain talent groups and develop internal capability. Programmes such as 'Leading the Way' and the launch of 'Clinical Academy' positively impacted this progress.
- Continued the promotion of our national tactic to recruitment with 'always on' approach.
- Optimisation of social media sites and careers website.
- Made a number of improvements to support our practice's way of working with locums.
- Investment in ED&I workshops across retail.

Outlook and further actions planned

- We will focus on the attraction and retention of diverse and critical talent, continuing to reduce colleague turnover.
- Development and increased visibility of colleague skills ensuring we have the right skills and organisational capability to deliver the business strategy.
- Identifying skills gaps and core competencies by role to support capability and expertise in all areas.
- Support the delivery of the strategy through a focus on people management and leadership capability.
- FY26 will also focus on organisational capability and the effectiveness of our people systems to be an enabler to this.
- People data and analytics will continue to be key in ensuring the People strategy supports the delivery of the business strategic pillars, supporting key commercial drivers.
- Focus on enhancing our employer brand to attract and retain top talent in a competitive market.
- By highlighting our commitment to diversity, equity, and inclusion, we aim to build a workforce that reflects diverse perspectives.

Retail

- We will continue to ensure that within our Pet Care Centres, roles are fit for purpose and encapsulate the skills and capability needed for the future.
- We will continue to drive knowledge and expertise along with providing transparent career pathways.
- We will launch 'Leading the Way', prioritising existing managers and high potential colleagues on the path to management.
- We have reviewed and listened to colleagues in relation to our total reward and wellbeing offering for colleagues and managers.

Vet

- We will deliver a suite of career and personal development activities to practice colleagues via our 'Clinical Academy'.
- Improve our Extra Mural Studies ('EMS') bursary programme working within the community and early careers partners to increase social mobility and broaden our talent pool and raise the profile of our employer brand within the clinical profession.
- Support our Practice Owners and their teams to leverage the uniqueness of our JV model to attract and retain colleagues who are the right fit for their practice.

Emerging risks

- The level of uncertainty and change across the political landscape in the UK and globally and the pace at which this may emerge.
- The potential for overall increased employment costs in relation to government policy.
- The impact of new legislation through the Employment Rights Bill.
- Continuing restrictions and challenges in the specialist and clinical talent market.
- The continued impact of increased salary requirements for skilled worker visas.

Risk appetite

We expect our colleagues and Practice Owners to act in line with our culture, values, and behaviours. The business has no appetite for risk relating to the health, safety, and wellbeing of our colleagues. We do however accept that there is an inherent level of risk in attracting and retaining critical talent across the business.

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Risk review continued

Competition and consumers

Owner: Chief Consumer Officer
Risk Type: Strategic

Links to strategy 1 2 3 4 5 6 7 8 9 **Risk profile** L M H **Risk appetite** L M H **Change on previous year:** <>

Description

The Group competes in a wide-ranging competitive market including other pet specialists, pure play online competitors, online marketplaces, direct to customer businesses, supermarkets, discounters, online pet healthcare platforms, veterinary groups, and independent practices. There continues to be strong online competition including new start-ups, and those focused on subscriptions. We must continue to offer an attractive model for our future veterinary Practice Owners while keeping ahead of, and responding to, developments by our competitors around price, range of services offered, clinical care, and experience. There also remains a level of uncertainly around the UK economy and consumer confidence. Failing to be aware and manage all these factors could have an adverse impact on the Group's financial performance and opportunities for growth.

Key responses

- Completed the transition of our multichannel operations to our single-site distribution centre.
- Continued to enhance our digital pet care platform, across seven themes: 'attract' (driving traffic to the platform), 'engage' (ensuring customers find what they need), 'convert' (turning platform sessions into sales), 'retain' (increasing customer satisfaction and loyalty), 'platform' (optimising the platform infrastructure and underlying processes), 'insights' (equipping business teams with actionable insight to drive improvements), and 'customer service' (equipping the team with the capability to serve customers).
- Made progress in our consumer data utilisation, offering much improved, personalised user experience and functionality across app and website.
- Continued optimisation of our Pets Club member offers utilising proprietary propensity modelling.
- Continued focus on new product development and innovation, including our exclusive partnerships with innovative brands.
- Monthly consumer research and brand sentiment tracking to understand changes to consumer behaviour, identify opportunities and to monitor the effectiveness of our brand marketing communications.
- Deepened our consumer and competitor insight reviews, which our EMT use to shape and evolve the businesses' priorities.

Outlook and further actions planned

- We will remain within a highly competitive market and there remains ongoing uncertainty for our consumers as to the impact of the economic backdrop on household budgets. However, we have the strategies, processes, and structures in place to monitor this and review our consumer propositions as required.
- Continued investment into our consumer experience – both in our pet care centres and within our digital pet care platform.
- Further enhancements to our subscription propositions, including the expansion of our Easy Repeat proposition to stores.
- Well established product development processes, which will ensure we launch new or enhanced products/ranges to our core food, health, and accessories categories.
- Developing and expanding our veterinary services by continuing to open new practices, extending existing practices, investing in our practice infrastructure (including our new Practice Management System), and enhancing the omnichannel journeys for our vet clients.
- Regular monitoring of the market and competitor pricing to ensure we continue to provide competitive value and provide the best options for our consumers.
- Monitoring the effectiveness of our processes by regularly tracking our business and competitors against the measures our consumers tell us are important to them and drive their behaviour.
- Continue the development of impactful consumer propositions which meet consumers' pet care needs and deliver differentiated value.

Emerging risks

- Disruption from new competitors taking advantage of new market dynamics and/or existing competitors receiving greater investment.
- Increased competition from generalist retailers putting greater focus on the pet category.
- Macroeconomic weakness and low levels of consumer confidence.
- Material changes in consumer buying behaviour driven by concerns around affordability, sustainability, and the environment making pet ownership less attractive.

Risk appetite

The Group recognises that to successfully compete and grow the business we need to take an acceptable level of risk, whilst staying within our overall Group risk appetite. We have a higher appetite for risk in the creation of long-term value, developing our strategy and taking advantage of opportunities. In the execution of our strategic initiatives, where we need to maximise benefits realisation, we will only accept a moderate level of risk.

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Risk review continued

Responsible sourcing and supply chain

Owner: Retail Chief Operating Officer and Vet Group Managing Director
Risk Type: Operational

Links to strategy 1 2 3 4 5 6 7 8 9 **Risk profile** L M H **Risk appetite** L M H **Change on previous year:** <>

Description

As we source our products and raw materials globally, we are exposed to the risks associated with international trade, such as supplier failure or disruption, inflation, changing regulatory frameworks and currency exposure. Failing to meet our responsible sourcing commitments could damage consumer confidence and our business reputation, which could have a negative impact on business performance. Disruption in the end to end supply chain, from international tariffs, through to global freight instability, to disruption at our distribution centre or the wholesaler for veterinary products may result in significant interruption to the supply of stock to stores, essential products to our practices and in the fulfilment of online orders.

Key responses

- Our Responsible Products Committee is responsible for developing the strategy for managing the environmental and ethical impacts of our products on our value chain.
- A comprehensive Supplier Code of Conduct provides clear supplier expectations in relation to human rights, environmental, ethical, and legal standards. This is supported by a Responsible Sourcing Handbook which brings our Supplier Code of Conduct to life with detailed implementation requirements, guidance, and signposting to additional resources. Our responsible sourcing requirements form a key part of our contractual agreements with suppliers.
- Engagement with industry bodies and external experts for collaboration, sharing and development of industry best practice.
- Qualified Internal Ethical Auditors across both the UK and Hong Kong.
- Modern slavery awareness training forms a key part of our mandatory colleague training for Support Office colleagues.
- Dedicated whistleblowing reporting mechanism for workers within our supply chain.
- Robust onboarding and ongoing monitoring programme of own label supplier standards including announced and semi-announced audits of production facilities conducted by Pets at Home colleagues or third-party audit bodies. Suppliers are supported to remediate non-conformances.
- Data systems are used to manage our supplier audits, enabling us to better track the resolution of issues and understand more about our suppliers, their workforce, and their risk profile.
- Vaccine supply and freight costs for veterinary products managed through close interaction with the supplier. Agreed ring-fenced stock has partially protected us from market shortages of products.
- Business continuity plans are in place for the distribution centre.

Outlook and further actions planned

- Rising production, material and labour costs, potential changes to shipping routes and the disruption of raw material supply chains puts pressure on suppliers and means normal levels of due diligence could be bypassed to ensure the continuity of labour and materials for the fulfilment of customer orders. This increases the risk of human rights violations and environmental damage occurring undetected in lower tiers of supply chains. We work in partnership with our suppliers and in collaboration with industry to understand and mitigate these risks together and include, where relevant, contingency plans.
- Potential risk of supplier failure, either through insolvency or through an inability to deliver products due to global supply chain challenges and macro-economic barriers to trade.
- Our overseas supplier audit programme continues. We have invested in the team and from April 2024 we have increased the frequency and depth of supplier compliance and ethical audits, whilst proactively reviewing risk profiles from other countries before we engage.
- We are working with our own label suppliers to map lower tiers of the supply chain and to support them in conducting risk assessments. Where there is a high risk commodity, industry, sourcing location or vulnerable workers, we will work with them to ensure we have full visibility of ethical standards.

Emerging risks

- Geopolitical uncertainty and disruption including international tariffs through to global freight instability.
- Continuing labour shortages in the UK manufacturing, logistics and agricultural sectors.

Risk appetite

The Group does not tolerate any breach of Company policies, local laws, or regulations in our supply chain. We have clear expectations of our suppliers in relation to upholding human rights, providing safe working conditions, meeting acceptable labour standards, and protecting the environment. The safety and integrity of our products is of paramount importance so we will not compromise standards. We always collaborate with our suppliers to help them achieve our requirements but where standards are persistently not met or we encounter a zero-tolerance issue, we will end our business relationship.

Link to strategy

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Risk review continued

Liquidity and credit

Owner: Chief Financial Officer
Risk Type: Financial

Links to strategy 1 2 3 4 5 6 7 8 9 **Risk profile** L M H **Risk appetite** L M H **Change on previous year:** <>

Description

The Group requires adequate cash resources to enable it to fund its growth plans through its capital projects, capital allocation policy, and working capital requirement. Without adequate cash resources, the Group may be unable to deliver its growth plans, with a consequent impact on future financial performance. The Group's growth plans in respect of Joint Venture veterinary practices are predicated on the availability of finance for new Joint Venture Practice Owners to fund both the capital cost and working capital requirement for each new practice opening or capacity extension. The Group also provides additional financial support to veterinary practices to underpin their working capital requirements and growth in clinical capacity. This investment is a particular feature of the Joint Venture operating model and in making this investment the Group considers its total returns across all practices on a portfolio basis.

Key responses

- The Group's finances are continually monitored in the context of its growth plans and of the wider economic landscape. The Group's core financing facilities are in place until September 2028. The Group maintains close working relationships with its banking partners to ensure sufficient liquidity and credit is available. The Group monitors a range of potential cash flow sensitivities to ensure the banking facilities in place remain sufficient and adequate considering evolving macro and micro-economic factors.
- The Group ensures that all cash surpluses are invested with banks that have credit ratings and investment criteria that meet the requirements set out in the Group Treasury Policy, which is Board approved and linked to our risk appetite.
- The Group's key suppliers are exposed to credit risk and the business has identified alternative suppliers where appropriate and developed contingency plans in respect of own label and private label food products.
- The Group has from time to time bought out and consolidated Joint Venture veterinary practices. As part of these acquisitions, the Group has settled any liabilities for third party bank loans and leases within these practices on behalf of the Joint Venture Practice Owner, with all such liabilities being written off.
- For the practices which the Group continues to operate under a Joint Venture Agreement, the Group has an established credit impairment provision to reflect the assessment of extended loans and investments being repaid over different lengths of time, with different risks of return, to provide for any potential shortfall. The Group has facilities in place with recognised lenders that give us confidence that our medium-term growth plans are financed adequately.

Outlook and further actions planned

- The Group's liquidity headroom, and the length of time to expiry of the Group's core financing facilities, will continue to be monitored periodically.
- The evolving political and macro-economic situation is likely to lead to sustained uncertainty in relation to forecast cash flows, liquidity, and credit requirements. We will continue to monitor our finances and build relationships with our finance providers to ensure that the business is well positioned to manage its cash flows effectively and ensure sufficient liquidity is available.
- We recognise the value in supporting some of our Joint Venture veterinary practices with additional funding during the year ahead to enable and support their growth. Such funding will be available for those businesses that remain viable over the longer term, considering resilience evidenced within the sector throughout the last financial year.

Emerging risks

- The evolving supply chain and inflationary factors.

Risk appetite

We apply a cautious and balanced approach to funding, liquidity, and credit risks to safeguard access to funding whilst maintaining sufficient liquidity to meet our current financial obligations and future financial forecasts. The Group does not tolerate any breach in liquidity and credit contracts or Group liquidity and credit financial policies.

Link to strategy

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Risk review continued

Treasury and finance

Owner: Chief Financial Officer
Risk Type: Financial

Links to strategy 1 2 3 4 5 6 7 8 9 | **Risk profile** L M H | **Risk appetite** L M H | **Change on previous year:** < >

Description

The Group has an exposure to exchange rate risk in respect of the US dollar, which is the principal purchase currency for goods sourced from Asia. The Group also faces risks from changes to interest rates due to its exposure to debt facilities with floating interest rates linked to SONIA. The Group has an exposure to potential tax compliance issues which could lead to financial or reputational loss. If we do not manage these exposures, there could be an impact on the Group's financial performance with a consequential impact on operational and growth plans.

Key responses

- We manage our exposure to exchange rate fluctuation based on our risk appetite via forward foreign currency contracts that are designated as cash flow hedges. The Group has an established guiderail for foreign exchange hedging in terms of both percentage forecast foreign currency purchase coverage and time horizon hedged out to.
- Our exposure to interest rate fluctuation is managed via floating to fixed interest rate swap contracts that are designated as cash flow hedges. The Group has an established guiderail for interest rate hedging in terms of both percentage forecast debt coverage and time horizon hedged out to, based on our risk appetite.
- All hedging activity is undertaken by the Treasury function in accordance with the Treasury Policy that sets out the criteria for counterparties with whom the Group can transact, which states that all hedging activities are undertaken in the context of known and forecast cash flows, with speculative transactions specifically prohibited.
- The Group operates within the Tax Policy framework which maintains a low risk appetite approach to its tax affairs.

Outlook and further actions planned

- The political and macro-economic environment has resulted in ongoing foreign currency volatility and interest rate uncertainty, and we may see this continue for some time.
- Ongoing currency movements between the USD and GBP may result in further exchange risk.
- These risks are appropriately mitigated through the Group's Treasury Policy, Tax Policy and Tax Strategy. We do not expect any increased threat from other significant macro-economic changes in the short to medium term.

Emerging risks

- Continued macro-economic and geopolitical uncertainty.

Risk appetite

The Group has a low appetite for treasury and finance risks. We apply a cautious approach to safeguard the strength and resilience of the balance sheet. We also take an ethical and low risk approach to tax. The Group does not tolerate any breach in key financial policies, such as the Treasury Policy and Tax Policy and Strategy.

Link to strategy

1. Grow system capacity behind vets joint venture model
2. Supercharge omnichannel subscriptions
3. Align and target (using data) marketing spend and GTM behind Pets and Pets Club
4. Evolve our pet care centres and colleague model, with expertise at the heart
5. Drive omnichannel nutrition share through own, owned and exclusive nutrition brands at all price points
6. Overhaul accessories to significantly improve value, pace of innovation and online growth
7. Create a better world for planet, pets and people
8. Launch and scale a differentiated insurance proposition
9. Automation and AI to enhance performance

Risk review continued

Legal and compliance

Owner: Chief Financial Officer
Risk Type: Financial

Links to strategy 1 2 3 4 5 6 7 8 9 | **Risk profile** L M H | **Risk appetite** L M H | **Change on previous year:** <>

Description

Many of the Group's activities are regulated by national and international legislation, applicable industry regulations and standards including, but not limited to, consumer and competition laws and regulations, trading, advertising, packaging, product quality, health and safety legislation and guidance, pet shop licensing, National Minimum Wage and National Living Wage, Equality Act, modern slavery, anti-bribery and corruption, data protection, environmental regulations, the Corporate Governance Code, the RCVS Code of Professional Conduct for Veterinary Surgeons, and the off-payroll regulations (IR35).There have also been significant global developments in artificial intelligence technologies and a regulator-led approach to AI regulation, together with the upcoming implementation of the EU AI Act which has extra-territorial effect. Failure to comply with the obligations set out in this paragraph and other applicable legislation or recommendations of any regulatory investigations may lead to financial penalties and reputational damage and other consequences for the business and its Directors.

Key responses

- We actively monitor regulatory developments in the UK and Europe (as applicable) and our existing obligations where we have internal policies and standards to ensure compliance where appropriate. Training is provided for colleagues.
- We operate a confidential whistleblowing hotline for colleagues, Practice Owners, suppliers, and people working within our supply chain to raise concerns regarding any potential breach of legal or regulatory obligations in confidence.
- Our suppliers commit to comply with all relevant business regulations for the territories in which they operate and to meet international labour standards which are laid out in our Supplier Code of Conduct. We reinforce this by placing contractual obligations on our suppliers and support where necessary.
- The Group's Data Protection Officer and Executive sponsored Steering Committee monitors Group compliance with legal requirements relating to personal data, ensuring relevant policies are up to date and works with our Information Security Steering Committee which monitors data security.
- We understand the value of ongoing training and communication to raise awareness of the personal data handled by the business, how to keep it safe and how to help prevent personal data incidents. We carry out regular induction, awareness, and refresher training for all our colleagues in Retail, Vets, and the Support Office.

Outlook and further actions planned

- We continue to monitor legal and regulatory developments across the UK and Europe and will plan accordingly.

Emerging risks

- New and amended regulations.
- Significant strengthening of UK consumer laws and regulations including those on the use of digital information, and increasingly stringent environmental regulation.
- Sector review and market investigation by the CMA into veterinary services for household pets in the UK.
- Increasing AI use and regulation.

Risk appetite

The Group is committed to acting ethically, lawfully, and always in the best interests of our stakeholders and therefore has an extremely low appetite for compliance breaches, either regulatory or of our principal internal polices, including for example, our Health and Safety policy and our Code of Business Ethics and Conduct. Anyone who acts on our behalf is expected to act in line with our policies, values, and behaviours and to take the necessary steps to comply with applicable laws and regulations.

Link to strategy

1. Grow system capacity behind vets joint venture model
2. Supercharge omnichannel subscriptions
3. Align and target (using data) marketing spend and GTM behind Pets and Pets Club
4. Evolve our pet care centres and colleague model, with expertise at the heart
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9. Automation and AI to enhance performance

Going Concern and Viability

In accordance with the UK Corporate Governance Code 2018 (the Code) the Directors assessed the prospects of the Company and potential threats to its resilience.

Approach to Going Concern and Viability

The Group and Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report. The financial position of the Group and Company, its cash flows, liquidity position and borrowing facilities are described in the Chief Financial Officer's review. The Group has developed a detailed strategic and business planning ('SBP') process, which comprises a Strategic Plan containing financial projections for a 5 year period and covers assessment of markets, consumer demand and competition, and a Business Plan which forms a detailed near term one year plan for the upcoming financial year. The SBP process produces standard outputs in respect of the key financial performance metrics of the Group which deliver consolidated financial plans at both Group level and at a number of levels within the Group.

Short term

The Directors of the Group have prepared cash flow forecasts for a period of at least 12 months from the date of the approval of these financial statements which indicate that, despite taking account of reasonably possible downsides, the Group will have sufficient funds, through its revolving credit facility, to meet its liabilities as they fall due for that period.

Medium to longer term

The Strategic Plan is reviewed each year by the Board as part of the strategy review process. Once approved by the Board, the Strategic Plan is cascaded across the Group and provides the basis for setting all detailed financial budgets and strategic actions that are subsequently used by the Board to monitor performance. The SBP process covers a five-year period. The five-year plan provides a robust planning tool against which strategic decisions can be made in making their viability assessment.

Material uncertainties and assumptions

In preparing the forecasts for the Group, the Directors have carefully considered the impact of consumer confidence, geopolitical tensions including emerging risks such as tariffs, and the actual and potential impact on supply chains, as well as energy cost inflation on liquidity and future performance. The Group has also considered the impact of climate change and the Task Force on Climate Related Financial Disclosures ('TCFD') scenario analysis conducted in undertaking this assessment. The Group expects to be able to refinance external debt and renew committed facilities as they become due, which is the assumption made in the viability scenario modelling.

Risk management

The Group and Company's approach to risk management and risk governance, along with the principal risks and uncertainties, are set out on pages 21 to 29. The Board conclude that, given the level of headroom, none of the changes in the risk profiles, risk appetites or risk scores based on the likelihood and impact had a significant impact on the Group and Company's viability.

Sensitivity and stress testing

The Group has access to a revolving credit facility of £300m which expires on 30 September 2028 and a £23.3m asset backed loan which expires on 27 March 2030. The Group had £33.3m drawn down at 27 March 2025 and cash balances of £39.5m. The lowest level of headroom forecast over the next 12 months from the date of signing of the financial statements is in excess of £329.0m in the base case scenario. On a sensitised basis, the lowest level of headroom forecast over the next 12 months from the date of approving of the financial statements is £301.9m due to the removal of the dividend payment in a scenario 3.

The Group has been in compliance with all covenants applicable to this facility within the financial year and is forecast to continue to be in compliance for a period of 5 years from the date of signing of the financial statements.

A number of severe but plausible downside scenarios were calculated compared to the base case forecast of profit and cash flow to assess headroom against facilities over the next 5 year period. These scenarios included:

- Scenario 1: Reduction on Group like-for-like sales growth assumptions of 1% in each year throughout the forecast period, but ordinary dividends continue to be paid.
- Scenario 2: Using scenario 1 outcomes and further impacted by a conflated risk impact of £64.8m on sales and £25.1m on PBT per annum (using specific financial risks taken from Group risk register with sales and PBT financial impact quantified), with dividends held at 13.0p per share per annum.
- Scenario 3: Group like-for-like sales growth at 0% in each year and a conflated risk impact of £144.8m on sales and £44.2m on PBT is applied (using the top risks from Group risk register with sales and PBT impact quantified), with dividends cut to nil to conserve cash.

Against these negative scenarios, adjusted projections showed no breach of covenants. Further mitigating actions could also be taken in such scenarios should it be required, including reducing capital expenditure.

Going concern and viability statement

Despite net current liabilities of £135.2m at Group level and £922.8m in the Company, the Directors of Pets at Home Group Plc, having made appropriate enquiries including the principal risks and uncertainties on pages 20 to 29, consider that the Group and Company will have sufficient funds to continue to meet their liabilities for a period of at least 12 months from the date of approval of these financial statements and throughout the strategic planning horizon period of 5 years, and therefore, it is appropriate to adopt the going concern basis in preparing the Group consolidated financial statements and the Company only financial statements as at and for the period ended 27 March 2025.

Non-financial and sustainability information statement

Non-financial measures are an important part of our business. The table below constitutes the Company's non-financial and sustainability information statement as required by sections 414CA and 414CB of the Companies Act 2006. Our Sustainability Report and corporate website (https://www.petsathomeplc.com/investors/) contain non-financial information, including actions, to manage our environmental and social impact and look after our colleagues.

Copies of our policies are available on our investor website: www.petsathomeplc.com

Information relating to our business model is included on page 6

Our non-financial KPIs are detailed on page 8

Information relating to how the business manages risk is set out on pages 19 to 29

Risk	Relevant policies and documents		Impacts and metrics
Environmental	– Packaging Policy – Environmental Policy – TCFD statement and climate financial disclosures pages 49 to 60 – Sustainability Report	– Supplier Code of Conduct – Responsible Sourcing Handbook – Raw Materials Sourcing Policy	– Impacts on climate, environment, deforestation in our operations, supply chains and product impacts – Climate change risk management & mitigation
Colleagues	– Diversity and Inclusion Policy – Whistleblowing Policy – Sustainability Report	– Health and Safety Policy – Colleague Handbook – Annual Report pages 14 to 15, 37 to 38 and 41	– Culture, engagement, safety and wellbeing – Pay and reward, training and development – Diversity and Inclusion
Social matters	– Responsible Sourcing Handbook – Anti-bribery and corruption – Sustainability Report	– Tax Strategy – Pets Foundation Impact Report	– Working with suppliers on supply chain ethics and environmental impact – Community & charity impact – Responsible business
Respect for human rights	– Human Rights Policy – Supplier Code of Conduct	– Whistleblowing Policy – Modern Slavery Act Statement – Annual Report pages 48	– Human rights in our business & supply chains – Supplier expectations – Grievance mechanisms
Anti-corruption and anti-bribery matters	– Anti-Bribery Policy – Code of Ethics and Business Conduct	– Responsible Sourcing Handbook – Supplier Code of Conduct – Annual Report page 36	

This Strategic Report has been approved by the Board of Directors and is signed on its behalf by:

Mike Iddon
Chief Finance Officer
28 May 2025

Board of Directors

Chair

Ian Burke

Chair

Appointment to the Board
2020

Current roles
n/a

Past roles
- Member of the Board of Governors of Birmingham City University
- Non-Executive Chair of Studio Retail Group Plc
- Non-Executive Senior Independent Director of intu properties Plc
- Chair and Chief Executive Officer of Rank Group Plc
- Chief Executive Officer of Holmes Place Health Clubs
- Chief Executive Officer of Thistle Hotels Plc
- Chair of Vet Partners Holdings Ltd

Contribution to the Board
Wealth of experience from the leisure and retail sectors. Ian has significant prior experience of participation in audit and remuneration committees.

Committees
N S

Non-Executive Directors

Zarin Patel

Senior Independent Non-Executive Director

Appointment to the Board
2021

Current roles
- Senior Independent Director, Chair of the Audit and Risk Committee and member of the Remuneration Committee at Anglian Water Services Limited
- Independent Non-Executive Director, Audit and Risk Committee Chair and a member of the Sustainability Committee at Hays Plc
- Independent Non-Executive Director and Chair of the Audit and Risk Committee of HM Treasury
- Trustee of National Trust
- Member of Chapter Zero

Past roles
- Independent member of the Audit and Risk Committee of John Lewis Partnership Plc
- Chief Financial Officer of the BBC
- Chief Operating Officer of The Grass Roots Group Plc

Contribution to the Board
Wide ranging financial and commercial expertise. Zarin is also a Chartered Accountant.

Committees
A R N S

Natalie-Jane Macdonald

Independent Non-Executive Director

Appointment to the Board
2023

Current roles
- Chair of Nuffield Health
- Chair of Voyage Care
- Non-Executive Director of Riverstone Living

Past roles
- Lecturer in General Medicine and Clinical Pharmacology
- Head of Medical Ethics, British Medical Association
- Managing Director of Bupa Health and Wellbeing
- Chief Executive Officer of Acorn Care and Education
- Chief Executive Officer of Sunrise Senior Living
- Non-Executive Director of Royal National Orthopaedic Hospital
- Non-Executive Director of PHIN
- Non-Executive Director of Which?

Contribution to the Board
Strategic and operational healthcare experience, together with knowledge of complex consumer businesses.

Committees
A R N S

Roger Burnley

Independent Non-Executive Director

Appointment to the Board
2023

Current roles
- Chair of Plate-Up Limited
- Chair of Finnebrogue Artisan
- Luminary Advisor with Accenture

Past roles
- Executive Director at J Sainsbury Plc
- COO and CEO at Asda Stores Limited
- Advisor with Bain & Company

Contribution to the Board
Deep knowledge of the retail sector and food supply chains.

Committees
A R N S

Board of Directors continued

Executive Directors

Committees – Key

N Nomination and Corporate Governance
A Audit and Risk
R Remuneration
S Sustainability
Chair of Committee

Garret Turley

Independent Non-Executive Director

Appointment to the Board
2024

Current roles
- Chair of Blackrose Corporate Finance
- Chair of Koala Care Holdings Limited
- Non- Executive Director at Dunrogan Limited
- Trustee at Outside In

Past roles
- Interim Executive Chair at Avado PQ Limited
- Partner at August Equity LLP
- Partner at Bridges Fund Management Ltd
- Managing Director of Pet Doctors Ltd

Contribution to the Board
Significant strategic experience in veterinary and healthcare.

Committees
N S

Lyssa McGowan

Chief Executive Officer

Appointment to the Board
2022

Current roles
- Chief Executive Officer

Past roles
- Chief Consumer Officer at Sky UK Limited
- Non-Executive Director at Wm Morrison Supermarkets Plc

Contribution to the Board
Broad experience in consumer-facing businesses, expertise in customer and digital first initiatives, experience in data and digital transformation.

Committees
S

Mike Iddon

Chief Financial Officer

Appointment to the Board
2016

Current roles
- Chief Financial Officer
- Non Executive Director and Audit and Risk Committee Chair of Wickes Group Plc

Past roles
- Chief Financial Officer of New Look
- Held a number of senior finance roles over 13 years working for Tesco Plc both in the UK and overseas. These included Group Planning, Tax and Treasury Director, UK Finance Director and Chief Financial Officer of Tesco Homeplus (South Korea)
- Number of senior roles with Kingfisher Plc and Whitbread Plc

Contribution to the Board
Financial knowledge and retail industry expertise.

Committees
S

Leadership and purpose

Principal governance activities during the year.

2025 Board considerations

During the year the Board spent its time considering a wide range of matters, including:

- Development of the Group's strategic plan
- In depth reviews on key strategic initiatives
- Updates from key business functions, including retail, vets (including the Joint Venture Council), IT (including data) and investor relations
- Business performance
- Sustainability and climate matters
- Overall performance of individual business functions
- Budgets and long-term plans for the Group
- Risk management and controls, including reputation risk and corporate governance
- Financial statements, announcements and financial reporting matters
- Competitor and customer updates
- Diversity, talent, capability and succession planning matters
- Reviewing Committee reports
- Approving significant items of capital expenditure and contracts requiring Board approval as reserved matters
- Group culture, behaviours, engagement and colleague listening
- Shareholder feedback
- Regulatory matters, corporate governance and corporate reporting
- Approval of the financing arrangements and treasury items
- Non-Executive Director and Executive Management Team succession and talent development
- Engagement with key stakeholders and the impact of Board decisions on such stakeholders
- Capital allocation
- Political matters and public affairs
- The CMA review and Market Investigation into the vet services sector for household pets
- Board evaluation
- Key strategic projects and priorities across the Group

Compliance with the 2018 UK Corporate Governance Code (the '2018 Code')

The Governance Report outlines how the Board has applied the main principles of good governance as required by the UK Corporate Governance Code issued by the Financial Reporting Council in July 2018, the Disclosure Guidance and Transparency Rules (DTRs) and the Listing Rules (LRs) (as replaced by the UK Listing Rules (UKLR)).

The Board is responsible for ensuring that the Group has the necessary frameworks in place to ensure compliance with the Code. The Board believes that during this year, the Group was in full compliance with the Code. The Code can be viewed on the FRC's website at frc.org.uk.

Oversight of development and implementation of strategy

The Board continues to oversee and support the transformation and development of the strategic vision for the Group, in line with the Board's aim to generate and preserve long-term value. During the Board meetings this year, significant focus and time has been given to Group strategy and strategic priorities. The Board has also considered risks and opportunities to the business throughout the year during the course of Board meetings.

Board meetings and attendance

The Board met formally seven times this year and attended an annual strategy day meeting. Ad hoc meetings of both the Board and Committees were arranged as appropriate to deal with matters between scheduled Board meetings. Board meetings were preceded by Committee meetings with the meetings lasting the majority of the day in most cases. Topics for the Board meetings are determined in advance to ensure that essential topics are covered at the appropriate time and new items including key strategic issues are added as and when appropriate in consultation with the Board and Executive Management Team, supported by the Company Secretary. All Directors receive papers in advance of Board meetings via an electronic board paper system which enables efficient dissemination of quality information in a safe and secure manner. These include a monthly Board report with updates from each of the Chief Executive Officer and the Chief Financial Officer, which monitors the achievements against the Group's key performance indicators, both financial and strategic. Performance against budget is reported to the Board monthly and any substantial variances are explained.

Forecasts for the year are revised and reviewed regularly. Members of the Executive Management Team and senior leadership team are also invited to present at Board meetings from time to time so that Non-Executive Directors keep abreast of developments in the Group. These meetings are an opportunity for the Board to meet colleagues below the level of the Executive Management Team and for colleagues asked to present, this is a valuable part of their career development. It is important to the Group that all Directors understand external views of the Group. The Director of Investor Relations reports to the Board on broker and shareholder views throughout the year.

Directors' conflicts of interest

The Articles of Association of the Company give the Directors the power to consider and, if appropriate, authorise conflict situations where a Director's declared interest may conflict or does conflict with the interests of the Company. Procedures are in place at every meeting for individual Directors to report and record any potential or actual conflicts which arise. The register of reported conflicts is maintained by the Company Secretary and reviewed by the Board at least annually. The Board has complied with these procedures during the year. No conflicts of interest or related party transactions were reported by the Board during FY25.

	Board	Audit and Risk Committee	Nomination and Corporate Governance	Remuneration Committee	Sustainability Committee
Number of meetings[1]	7	4	2	5	3
Director					
Ian Burke (Chair)	7/7	–	2/2	–	3/3
Zarin Patel	7/7	4/4	2/2	5/5	3/3
Angelique Augereau[2]	5/5	–	–	1/1	2/2
Roger Burnley[3]	6/7	3/4	1/2	5/5	3/3
Susan Dawson[4]	2/2	1/1	–	2/2	1/1
Mike Iddon[5]	7/7	–	–	–	3/3
Natalie-Jane Macdonald[6]	7/7	4/4	2/2	2/2	2/3
Lyssa McGowan[5]	7/7	–	–	–	3/3
Garret Turley[7]	4/4	–	2/2	–	2/2

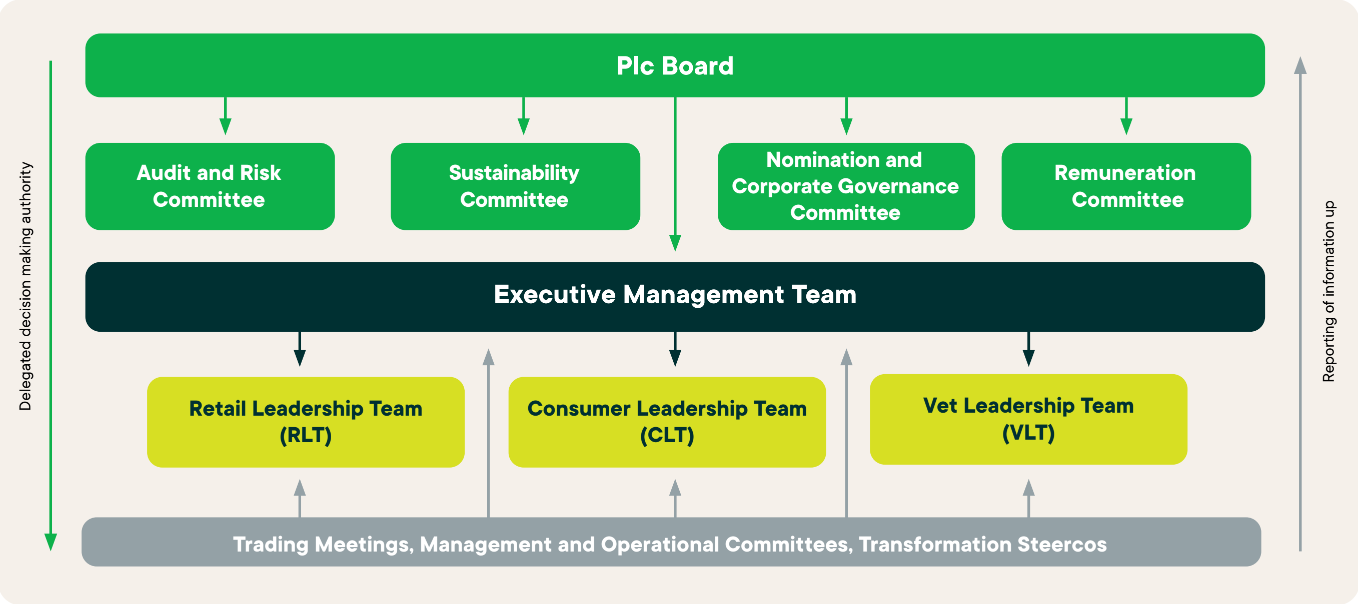
1 Excludes the strategy day, which all Directors (appointed before that date) attended.
2 Angelique stepped down from the Board on 20 January 2025.
3 Roger did not attend one of the Board, Audit and Risk and Nomination and Corporate Governance Committee meetings due to a prior commitment and was appropriately updated after those meetings.
4 Susan stepped down from the Board on 11 July 2024.
5 Although not formally appointed as members, Lyssa and Mike attended meetings of the Audit and Risk and Remuneration Committees as observers at the invitation of the Chair.
6 Natalie did not attend a Sustainability Committee meeting due to a prior commitment and was appropriately updated after the meeting.
7 Garret was appointed to the Board on 12 July 2024.

Division of Responsibilities

How we are governed.

Our governance structure

The Group's governance framework concerning the Board and Committees is outlined below.



The Board

The Company is led and controlled by the Board which is collectively responsible for the long-term sustainable success of the Group. The roles of Chair, Chief Executive Officer and Senior Independent Non-Executive Director are separate and clearly defined, with the division of responsibilities set out in writing and agreed by the Board. The definitions of the roles and division of their respective responsibilities are published on The Pets at Home Group investor website https://www.petsathomeplc.com/investors/corporate-governance/division-of-responsibilities-for-the-ceo-and-the-chairman/.

Board changes

Susan Dawson stepped down from the Board as an Independent Non-Executive Director at the end of the Annual General Meeting on 11 July 2024 and was replaced by Garret Turley, who was appointed on 12 July 2024. Angelique Augereau stepped down from the Board on 20 January 2025.

Board Committees

The Board has established four Board Committees to discharge its responsibilities within a system of delegated authorities: Audit and Risk, Nomination and Corporate Governance, Remuneration, and ESG (renamed as Sustainability during the year). Each Committee has written terms of reference which are approved by the Board and reviewed each year. The terms of reference for all Committees were reviewed during the year for changes required by the Corporate Governance Code 2024. The terms of reference are available on request from the Company Secretary and on The Pets at Home Group investor website https://investors.petsathome.com/investors/governance.

Executive Management Team

In addition to the Board, the Group has the Executive Management Team comprised of the Chief Executive Officer, Chief Financial Officer, Retail Chief Operating Officer, Vet Business Managing Director, Chief People and Legal Officer, Chief Information Officer and Chief Consumer Officer. Senior leadership teams for the retail, vet and consumer divisions support the Executive Management Team with the implementation of strategy and risk and governance oversight.

Management and operational committees

Investment committee

The Investment Committee assists the Board with the Group's stores and veterinary surgery rollout and development process to ensure the Group's investment process is managed effectively and rigorously. The Committee is chaired by the Chief Financial Officer and attended by the Chief Executive Officer and other members of the senior leadership team, including the Group Property Director and the Director of Group Development. The Committee meets formally at least nine times a year. The role of the Committee includes considering proposals for the acquisition of new premises proposed for use by a member of the Group and capital expenditure relating to such premises, and includes a regular review of the property investment criteria for such decision making, as well as reviewing proposals presented for lease renewals and alternative strategies for new store investment and formats and proposals for the disposition of any premises by way of sub-letting, assignments, surrenders or relocations and approving or rejecting any such proposals as appropriate.

Each of the matters approved by the Committee is subject to further approval by the Board where it falls within the level of expenditure requiring full Board approval. Details from the Committee meetings are provided to the Board on a regular basis.

Health and Safety Committee

Health and safety is a key priority for the Board and senior management. The Board has established a Health and Safety Committee tasked with reviewing the Group's overall health and safety performance. The Committee is chaired by the Legal Director and Company Secretary with the agenda led by the Group Head of Health and Safety. The Committee is attended by key individuals in the business who are responsible for certain areas of health and safety including from the veterinary business, retail, distribution and grooming. The Distribution Centre has its own dedicated health and safety manager and has a separate health and safety sub-committee which also meets on a regular basis. The Group has a designated health and safety manager and a team of health and safety advisors. The Group's health and safety policy is reviewed on a regular basis.

Division of Responsibilities continued

Pensions Committee

The Pensions Committee operates to consider pensions related issues across the business.

Pet Committee

The Pet Committee is established to lead the business in maintaining its trusted voice on pet welfare, aiming to achieve measurable improvements and be the primary advocate for pets in alignment with the Company's sustainability commitments outlined in the Pet pillar of the key strategic pillars being: adopting the highest welfare and clinical standards for pets in our care, providing owners with the best products, services and advice, and using our voice and expertise to advocate for pets.

Responsible Product Committee

The Responsible Product Committee is responsible for considering sustainability issues in the supply chain.

Climate Change and Waste Committee

The Climate Change and Waste Committee considers all climate and waste matters, including carbon and resource impacts of our building infrastructure through the use of energy to heat and cool and the investment in areas such as renewable energy, energy generation and energy use reduction technologies, logistics impacts through our own fleet and third parties and specific impacts of our veterinary business, such as anaesthetic gas use and other clinical opportunities.

Transformation Steercos

Transformation Steercos operate to guide our large-scale transformation projects. Their main roles and responsibilities include ensuring that projects align with the Group's long-term strategic goals and that project resource is appropriately allocated, identifying and mitigating risks that could impact a project's success, keeping all relevant stakeholders informed of a project's progress and making key decisions that influence the direction and success of a project.

Internal control and risk management

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. The Board has carried out a robust assessment of the Group's emerging and principal risks, including those that would threaten its business model, future performance, solvency, liquidity or reputation as detailed on page 44. The Board delegates to the EMT the responsibility for designing, operating and monitoring these systems. The systems are based on a process of identifying, evaluating and managing key and emerging risks, and include the risk management processes set out on pages 19 to 29 of the Strategic Report (Risk Review).

The systems of internal control operate effectively across the Group and therefore our conclusion is that such systems were in place throughout the period and up to the date of approval of the Annual Report. The systems of internal control operate across the Group and are designed to manage rather than eliminate the risk of failure to achieve business objectives. They can only provide reasonable and not absolute assurance against material errors, losses, fraud or breaches of laws and regulations. The key controls the business relied upon during the year are set out below:

- The annual Group-wide strategic review of the existing five-year strategic plan took place in November 2024. The business carried out its annual business plan and budget cycle, again culminating in formal review and approval by the Board on 27 March 2025.
- Management accounts have been reviewed at meetings of the Board. These reviews covered the comparison of actual performance against budget in the period end management accounts and consideration of outturn for the year. The period end accounts are prepared by the finance team and reviewed by the Chief Financial Officer.
- All capital investments during the year have been approved by the Chief Financial Officer; an authority framework is in place which details the approvals required for specific levels of capital spend including those capital projects requiring full Board approval. In line with delegation by the Board, the Investment Committee has reviewed and approved investments in respect of the acquisition and fit-out of new stores, and new standalone and in-store veterinary practices.
- An independent internal audit department is established with its scope agreed directly with the Audit and Risk Committee and has reported at each Audit and Risk Committee meeting throughout the year. All internal audit reports are presented to the Committee for review and consideration of any material findings. Where audit findings have been raised, management have agreed appropriate actions and these are prioritised based on risk. Further details of the areas covered in the internal audit reports can be found in the Audit and Risk Committee Report on page 45.
- A clearly articulated delegated authority framework, including in respect of all purchasing activity, is in place across the Group. This is complemented by systemic controls including a contract approval policy that reflects the agreed authority framework and clear segregation of duties between relevant functions and departments.
- A schedule of matters reserved for the Board is in place for approving significant transactions and strategic and organisational change. This underpins Board discussion of the key risks and uncertainties facing the Group and the risk management system. Further details are contained in the Audit and Risk Committee Report on page 44.
- A clear Anti-Bribery Policy and Code of Ethics and Business Conduct are in place, as noted in detail below.
- An effective fraud framework has also been established.

Whistleblowing policy

The Company has a duty to conduct its affairs in an open and responsible way. We are committed to high standards of corporate governance and compliance with legislation and appropriate codes of practice. By knowing about any wrongdoing or malpractice at an early stage, we stand a good chance of taking the necessary steps to stop it. The Group has a whistleblowing policy designed to encourage colleagues to identify such situations and report them without fear of repercussions or recriminations provided that they are acting in good faith. The policy, which was reviewed and updated during the year, sets out how any concerns may be raised and how they will be handled. The Senior Leadership Team participated in an interactive session with Natalie-Jane MacDonald, Non-Executive Director for Colleague Engagement, to discuss colleague listening and whistleblowing and their obligations as leaders during the year.

Anti-Bribery Policy

The Group has a zero tolerance approach to bribery and corruption and supports colleagues to make decisions in line with this position. The Group's Anti-Bribery Policy applies to all colleagues and extends to our business dealings and transactions in all countries in which the business operates. The policy is implemented in conjunction with the Group's Code of Ethics and Business Conduct which is published on The Pets at Home Group investor website https://www.petsathomeplc.com/sustainability/documents-policies/policies/. Colleagues also receive training in relation to bribery and corruption as appropriate. Following an audit of our anti-bribery processes and procedures during the year, both the Anti-Bribery Policy and Code of Ethics and Business Conduct were reviewed and updated to incorporate the audit recommendations.

Share dealing code

The Company has adopted a share dealing code in relation to its shares which applies to: Directors, any other Persons Discharging Managerial Responsibility and certain colleague insiders of Group companies. Such individuals are responsible for procuring the compliance of their respective connected persons with the Company's share dealing code.

Composition, Succession and Evaluation

Board composition

The 2018 Code recommends that at least half the board of Directors of a UK-listed company, excluding the chair, should comprise Non-Executive Directors determined by the board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the Directors' judgement. As at the date of this report, the Board consists of 7 members being the Non-Executive Chair, four other Non-Executive Directors and two Executive Directors. The biographies of the Directors can be found on pages 32 and 33.

The Board believes it has an appropriate balance of Executive and independent Non-Executive Directors, having consideration to the size and nature of the business, and that all of the current Non-Executive Directors are independent in character and judgement. Each Director brings different skills, knowledge and experience, and the Board considers that both individually and collectively, the Directors have this range of skills, knowledge and experience (including strategic and commercial experience, and diversity of experience) as well as the necessary dedication to lead the Group and contribute significantly to the work of the Board.

The skills matrix for the Board on page 39 demonstrates the breadth of experience of the Directors. More than half of the Directors are considered to be independent in accordance with the 2018 Code. The 2018 Code also recommends that, on appointment, the chair of a company with a premium listing on the Official List should meet the independence criteria set out in the 2018 Code. The Board considers that Ian Burke meets the independence criteria set out in the 2018 Code.

Board effectiveness

The Directors act collectively in the best interests of the Group via the Board and its Committees and devote such time and consideration as necessary to fulfil their duties. The time commitments of each of the Non-Executive Directors are considered regularly and reviewed annually. The Board is satisfied that the Chair and each of the Non-Executive Directors are each able to devote sufficient time and consideration to the Group's business in order to provide constructive challenge, strategic guidance and specialist advice. In considering any additional roles or external appointments to be undertaken by Board members, the Chair and the Board assesses whether any actual or potential conflict of interest may arise and also the impact in terms of time commitment, to ensure that there are no over-boarding concerns. There were no changes to Board members' external appointments during the year.

Directors' induction and ongoing training

It is important to the Board that Non-Executive Directors are able to influence and challenge appropriately. New Directors receive a full, formal and tailored induction on joining the Board, including meeting with the Executive Management Team and advisors. The induction includes visits to the Group's stores, veterinary practices, Distribution Centre and other operational locations, together with training on the Group's core values, culture, environmental, social and governance issues as well as behaviours in place to support the Group's values. Individual training needs are reviewed regularly and training is provided where a need is identified or requested. All Directors receive frequent updates on a variety of issues relevant to the Group's business, including regulatory and governance issues. The Board also has access to the Deloitte Academy training portal and Directors have attended a variety of training sessions throughout the year via this system.

Appointment terms and election of Directors

All Directors have service agreements or letters of appointment in place. Further detail of their terms are set out in the Remuneration Policy which is located on The Pets at Home Group investor website in the 2023 Annual Report (https://www.petsathomeplc.com/investors/).

The service agreements and letters of appointment are available for inspection at the Company's registered office during normal business hours. All Directors will stand for re-election in accordance with the 2018 Code at each Annual General Meeting. The Chair also liaises with Non-Executive Directors each year to assess and review their individual contributions to the Board and performance. The skills and experience which each Non-Executive Director brings to the Board are detailed in their biographies on pages 32 and 33, and in the Board Skills Matrix on page 39, demonstrating why their contribution is, and continues to be, important to the Group's long-term sustainable success.

Diversity and inclusion

The Board understands the importance of having a diverse membership and recognises that diversity encompasses not only gender but also background, ethnicity and experience.

The Group's diversity and inclusion aim is to increase diverse representation of colleagues to reflect the communities we live and work in. The Group's policy for all colleagues and applicants (including at Board and Board Committee level) is to remove barriers to ensure equality of opportunity regardless of sex, race, ethnic origin or nationality, pregnancy or maternity, age, disability, religious or other philosophical belief, marital status, sexual orientation, gender or gender reassignment. Our culture of inclusivity ensures colleagues with different backgrounds, interests, appearances, perspectives and working styles feel welcome. Applications for employment from candidates who have a disability are given full and fair consideration, and candidates are assessed in accordance with their particular skills and abilities. The Group takes all reasonable steps to meet its responsibilities towards the training and employment of people with a disability, and to ensure that appropriate training, career development and promotion opportunities are available to all colleagues, irrespective of disability. Every effort is made to provide continuity of employment in the event that any colleague becomes disabled. Attempts are made in every circumstance to provide employment, whether this involves adapting the current role and remaining in the same role, or moving to a more appropriate role. The Group continues to be a member of the Business Disability Forum and Diversity in Retail.

The Nomination and Corporate Governance Committee monitors the diversity of the Board and the Executive Management Team on an ongoing basis to ensure that the requirements of the Code are met. No changes were recommended this year. The Board was considered to have an appropriate mix of tenure, skills and experience. In line with the ethos across the business, the Board believes that appointments should be made solely on merit. The Board continues to ensure that it maintains an appropriate balance through a diverse mix of experience, background, skills, knowledge and insight, to further strengthen its current diversity and experience. Further work has been undertaken by the Group this year on diversity and inclusion, as detailed on pages 14 to 15 and in the Sustainability Report.

The Board was pleased to continue to meet the Parker Review targets on ethnic diversity again this year. The Board was also pleased that the business continued to rank well in the FTSE Women Leaders Report on gender balance, with 43.8% of the Executive Management Team and their direct reports being female.

The Company met all three targets on board diversity set out in UKLR 6.6.6(9) as follows:

1. 43% of the individuals on the Board are women, achieving the 40% target.
2. Two senior positions on the Board are held by women, exceeding the target of at least one.
3. Two individuals on the Board are from a minority ethnic background, exceeding the target of at least one.

Composition, Succession and Evaluation continued

The following tables set out the information required by UKLR 6.6.6R(10) in the prescribed format.

(1) Table for reporting on gender identity or sex

	Number of Board members[1]	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management[2]	Percentage of executive management
Men	4	57%	2	3	37.5%
Women	3	43%	2	5	62.5%
Not specified/ prefer not to say	–	–	–	–	–

(2) Table for reporting on ethnic background

	Number of Board members[1]	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management[2]	Percentage of executive management
White British or other White (including minority-white groups)	5	71%	2	7	87.5%
Mixed/ Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/ Caribbean/ Black British	–	–	–	–	–
Other ethnic group	2	29%	2	1	12.5%
Not specified/ prefer not to say	–	–	–	–	–

For the purposes of making the disclosures set out above, the data was collected through voluntary self-reporting submissions as at 31 October 2024 to align with the Group's submission to the FTSE Women Leaders Review and as at 20 December 2024 to align with the Group's submission to the Parker Review, or otherwise by way of individual confirmations. The data is correct as at the financial year end.

Succession

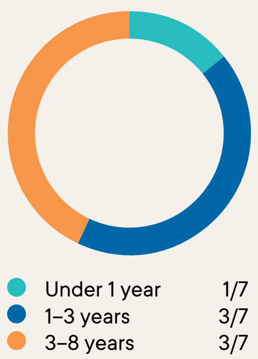
The Board has continued to focus on succession planning and Group talent development this year. Further detail of the work undertaken by the Nomination and Corporate Governance Committee in this area is included on page 40.

Board evaluation

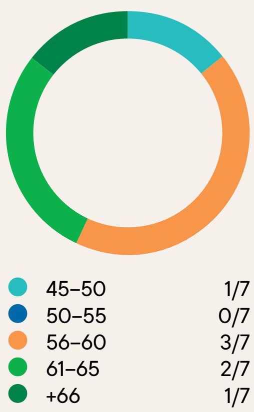
The 2018 Code recommends that the Board continually monitors and improves its performance. The effectiveness of the Board is important to the success of the Group, and the Board's annual review provides a useful opportunity for the Directors to reflect on their collective and individual effectiveness and to consider any changes.

This year the Board appointed an independent third party to carry out an externally facilitated evaluation of the Board and its Committees, which also sought to identify areas where the performance and procedures of the Board might be further improved to optimise its effectiveness. Further information relating to this year's Board evaluation can be found in the Nomination and Corporate Governance Committee Report, on page 41.

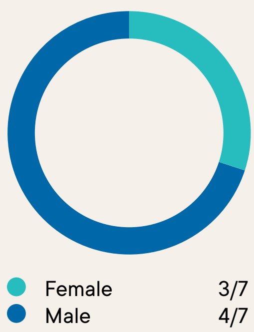
Board by Tenure



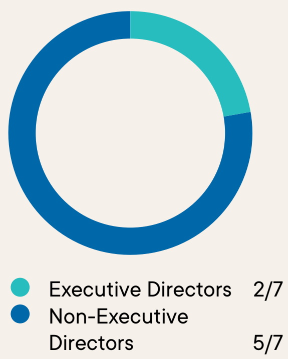
Board by Age



Board by Gender



Balance of the Board (Exec/Non-Exec)



1 Board members refers to those individuals in role as at the date of this report.

2 Executive management refers to those individuals comprising the Executive Management Team, including the CEO and the CFO, and the Company Secretary, as at the date of this report.

Composition, Succession and Evaluation continued

Board Skills Matrix

	Director						
	Ian Burke	Zarin Patel	Roger Burnley	Natalie-Jane Macdonald	Garret Turley	Lyssa McGowan	Mike Iddon
Pet Owner	✔	✘	✔	✔	✘	✔	✔
Expertise							
Accounting, Finance and Audit	✔	✔	✔	✘	✘	✘	✔
Risk Management	✔	✔	✔	✔	✘	✘	✔
Regulatory	✔	✔	✔	✔	✔	✘	✔
Governance	✔	✔	✔	✔	✔	✔	✔
Corporate Transactions (M&A)	✔	✔	✔	✔	✔	✔	✔
International (running a non UK Business)	✔	✘	✘	✘	✘	✘	✔
General Management (CEO)	✔	✔	✔	✔	✔	✔	✔
People and Culture	✔	✔	✔	✔	✔	✔	✔
General Retailing Experience	✔	✔	✔	✔	✘	✔	✔
Customer Service and Communications Experience	✘	✔	✔	✔	✘	✔	✔
Online Retailing Experience	✔	✔	✔	✔	✘	✔	✔
Marketing/Branding	✔	✔	✔	✔	✘	✔	✔
General Services	✔	✘	✔	✔	✔	✔	✘
Veterinary	✘	✘	✘	✘	✔	✘	✘
Healthcare	✘	✘	✘	✔	✔	✘	✘
Charity/Social Purpose	✔	✔	✔	✔	✔	✘	✔
Data	✘	✔	✔	✔	✘	✔	✘
Artificial Intelligence	✔	✔	✘	✘	✘	✘	✘
IT and Technology	✘	✔	✔	✘	✘	✔	✘
Omnichannel	✔	✔	✔	✔	✘	✔	✔
Strategic Leadership	✔	✔	✔	✔	✔	✔	✔
Vision and Mission	✔	✔	✔	✔	✔	✔	✔
Sustainability and Climate Change	✔	✔	✔	✔	✔	✘	✘
Transformation Leadership	✔	✔	✔	✔	✘	✔	✔
Chair of PLC Board	✔	✘	✘	✘	✘	✘	✘
Chair of PLC Board Committee	✔	✔	✔	✘	✔	✘	✔

Nomination and Corporate Governance Committee Report

Supporting Talent and Succession.

Ian Burke
Chair, Nomination and Corporate Governance Committee

The role of the Committee

The Committee is established to lead the process for nominating suitable candidates for appointment as Directors to the Board and to key senior leadership positions, and to ensure that appropriate procedures are in place to keep the composition of the Board and its Committees under review. The Committee is also responsible for ensuring that orderly succession plans are in place for the Directors, the Executive Management Team and the senior leadership team.

In carrying out its role, the Committee takes into consideration the size, structure and composition of the Board and its Committees (including the skills, knowledge, experience and diversity of its members), the leadership requirements of the Group and the wider commercial and market environment within which the Group operates. The full terms of reference for the Committee can be found on The Pets at Home Group investor website https://www.petsathomeplc.com/investors/corporate-governance/nomination-and-corporate-governance-committee/.

Committee membership

I chair the Committee and its members are the independent Non-Executive Directors, being Zarin Patel, Roger Burnley, Natalie-Jane Macdonald and Garret Turley. Susan Dawson and Angelique Augereau were also members of the Committee during the year, prior to stepping down from the Board on 11 July 2024 and 20 January 2025 respectively.

The Committee meets not less than once a year. There were three formal meetings this year. Details of the Committee members during the year and attendance was as shown in the table on page 34.

What we did in 2025

- Considered Board composition and how it may be enhanced.
- Reviewed and considered Board evaluation and effectiveness.
- Reviewed the independence of the Non-Executive Directors.
- Reviewed and considered Directors' conflicts of interest.
- Reviewed the time commitment and length of service of the Non-Executive Directors.
- Recommended the appointment of Garret Turley as Non-Executive Director.
- Reviewed the Committee's corporate governance obligations.
- Considered corporate governance updates.
- Undertook an external Board evaluation and continued to develop identified areas for improvement.

What we will do in 2026

- Continue to review Board composition and effectiveness.
- Consider succession planning.
- Review corporate governance obligations and updates.
- Continue to monitor diversity.

Board appointments and resignations

The Board welcomed Garret Turley as an Independent Non-Executive Director with effect from 12 July 2024. Garret chairs the Sustainability Committee and is a member of the Nomination and Corporate Governance Committee. It is essential that the Board has appropriate experience in the veterinary sector and welcomes Garrett's experience and strategic knowledge in the veterinary sector to support the Group's growth strategy. Garret's previous roles, experience and skills are set out in his biography on page 33 and in the Board Skills Matrix on page 39.

Susan Dawson stepped down from the Board as an Independent Non-Executive Director at the end of the Annual General Meeting on 11 July 2024. Angelique Augereau stepped down from the Board on 20 January 2025.

In respect of the Board Committees, Garret Turley was appointed as an additional member of the Nomination and Corporate Governance Committee and the Sustainability Committee from appointment. Natalie-Jane Macdonald was appointed as an additional member of the Remuneration Committee from 24 January 2025.

At Executive Management Team level, Richard Dening-Smitherman joined the business as the new Managing Director of the vet business. Richard has experience in franchise businesses being relevant to our vets business and has held senior roles at large national and international organisations, most recently at Burger King UK where he was Chief Operating Officer.

Succession planning and Group talent development

The Committee has considered the skills required to deliver the strategy and longer-term objectives at Board, Committee and Executive Management Team level. This has included reviewing and putting in place an effective succession plan for both the Board and the Executive Management Team.

The Committee also continues to focus on talent development, retention and succession below Board and Executive Management Team level in order to meet its responsibilities to review talent, capability and succession at the most senior levels of the business. Development plans have been put in place to support colleagues in reaching their full potential. Continued progress has been made in identifying gaps in the talent pool in addition to mitigating the risks associated with unforeseen events such as key individuals leaving the business.

Nomination and Corporate Governance Committee Report continued

Board evaluation and effectiveness

This year the Board appointed an independent third party (MWM Consulting) to carry out an externally facilitated evaluation of the Board and its Committees, which also sought to identify areas where the performance and procedures of the Board might be further improved to optimise its effectiveness. The evaluation consisted of a questionnaire completed by each Board member and individual discussions between each Board member and MWM Consulting, and covered a number of key areas, including capability, composition, stakeholders, dynamics and culture, meetings and information, Committees, development, strategy, performance and effectiveness, risk and opportunities and people.

The Committee reviewed and discussed the results. The Board was considered to be effective and its overall performance was rated strong, as were the relationships between the Non-Executive Directors and the Executive Directors. The Board will give focus to the recommendations for further improvement.

Diversity

The Board is committed to supporting work initiatives that promote a culture of inclusion and diversity. The Committee recognises the importance of diversity and inclusion both in the boardroom and throughout the Group and understands that a diverse Board will offer wider perspectives which lead to better decision-making, enabling it to meet its responsibilities. We take into account a variety of factors before recommending any new appointment to the Board, including relevant skills to perform the role, experience, knowledge, ethnicity and gender. The most important priority of the Committee, however, is ensuring that the best candidate is selected to join the Board. We will monitor the Group's approach to people development to ensure that it continues to enable talented individuals to enjoy career progression with the Group.

Further details on Board diversity can be found on page 37 of the Governance Report.

Conflicts of interest and independence of the Non-Executive Directors

The Board has delegated authority to the Committee to consider, and where necessary authorise, any actual or potential conflicts of interest arising in respect of the Directors. Any potential conflicts of interest arising during the year were considered during Board meetings.

We also support the Board in its annual consideration of the Conflicts of Interest Register, which is carried out prior to the publication of the Annual Report, and consider the independence of the Non-Executive Directors, in the context of the criteria set out in the 2018 Code.

The Board's view on independence is set out at page 37 of the Governance Report. For further information on Board composition, diversity and independence, please see the Composition, Succession and Evaluation section of the Governance Report on pages 37 to 38.

Our 2025 Annual General Meeting will take place on 10 July 2025 at 11am at the Company's office at Chester House, Epsom Avenue, Stanley Green Trading Estate, Handforth SK9 3RN. I will be available at the Annual General Meeting to answer any questions on the work of the Committee and I look forward to reporting on further progress as we continue our work next year.

Ian Burke
Chair, Nomination and Corporate Governance Committee
28 May 2025

Audit and Risk Committee Report

To protect the interests of shareholders.

Zarin Patel
Chair, Audit and Risk Committee

Introduction

I am pleased to report that the ARC ('the Committee') continues to be actively involved in supporting the Board in fulfilling its responsibilities to protect the interests of shareholders regarding the integrity of the financial reporting, the adequacy and effectiveness of risk management and internal control systems, and the effectiveness of both internal audit and external audit.

Following the external audit tender carried out in 2024, and approval at the AGM in July 2024, Deloitte LLP ('Deloitte') have been appointed as the Company's auditor and Rachel Argyle has been appointed Audit Partner. Deloitte have brought fresh challenge and perspectives to our external audit.

Membership and responsibilities

Committee members are independent Non-Executive Directors as detailed on page 34. The Board considers that Committee members collectively have competence relevant to the Group's sectors and have a sufficient level of financial expertise. As Chair, I have significant, recent and relevant financial experience and am suitably qualified being a Chartered Accountant. Further details of Committee members and their experience can be found on pages 32 to 33.

The Chair of the Company's Board, Executive Management Team ('EMT') and senior managers within the business are invited to attend meetings as appropriate to ensure that the Committee maintains a current and well-informed view of events within the business, and to reinforce an effective risk management culture. The Company Secretary acts as secretary to the Committee. The external and internal auditors are invited to attend all meetings, as are external sustainability assurance providers where sustainability matters are discussed. Outside the formal meetings the Committee chair maintains an open dialogue with key individuals involved in the Company's governance, including the Chair of the Board, the Chief Executive Officer, the Chief Financial Officer, the External Audit Partner, the Head of Internal Audit and the Head of Risk. Committee members meet in private prior to each Committee meeting and hold separate private sessions with the internal auditor and the external auditor, to provide opportunity for open dialogue and feedback without management present.

Further details on the division of Board responsibilities and the Committee's role in complying with the UK Corporate Governance Code are set out on page 34.

This year MWM Consulting carried out an external Board effectiveness review (see page 41 for full outcomes). For the Committee the review drew out that the quality of papers and support from the finance, risk and internal audit functions needed to be stronger to enable the Committee to operate with more clarity on the critical issues on its agenda. Consequently we have made changes to strengthen the skills needed in these areas.

The full Terms of Reference for the Committee, which were last updated on 11 July 2024 can be found at https://www.petsathomeplc.com/investors/corporate-governance/audit-risk-committee/.

What we did during the year

The Committee met on four occasions during the financial year, in May 2024, September 2024, November 2024 and January 2025. The Committee has carried out its responsibilities as set out in the Terms of Reference, with each meeting having a distinct agenda to reflect the annual reporting cycle of the Group. The agenda is set into four key areas:

- Financial reporting
- Risk management systems and internal control
- External audit
- Internal audit

Financial reporting

A primary responsibility of the Committee is monitoring the integrity of the financial statements, including significant financial reporting issues and judgements. The Committee values the importance and views of the external auditor and has taken regard to matters communicated.

The Committee has reviewed the Annual Report and Accounts for the period ended 27 March 2025, and the Interim Financial Statements for the period ended 10 October 2024. The Committee has challenged the judgemental areas and assessed whether suitable accounting policies have been applied as well as to review the Annual Report and Interim Statement to ensure they are fair, balanced and understandable. To support these reviews, the Committee has insight from the fresh perspectives provided by the new external auditors, Deloitte and this supported our review and challenge of the detailed papers provided by management explaining and substantiating key accounting policies and key areas of judgement and estimation.

These papers include the review of:

- the classification of non-underlying costs and the appropriate disclosure of the policy
- supplier income recognition policy
- revenue recognition policy, specifically accounting for subscriptions
- the accounting for, and disclosure of, joint venture veterinary practices in addition to the accounting for capital contributions
- the appropriateness of Cash Generating Units (CGUs) and appropriate disclosure of the judgements involved
- critical accounting judgements and estimates
- appropriate classification of line items in the cash flow statements
- recoverability of loans and investments
- appropriateness of Alternative Performance Measures ('APMs') and Key Performance Indicators ('KPIs'), ensuring they are meaningful, balanced and explained appropriately
- climate-risk related disclosures including the Task Force on Climate-Related Financial Disclosures ('TCFD') and CFD.
- the Group's distributable reserves position in advance of the declaration of interim and final dividend
- the Group's tax policy
- the Group's treasury policy

Audit and Risk Committee Report continued

Ongoing viability

The Committee has reviewed and challenged the Longer-Term Viability Statement ('LTVS') and going concern basis of preparation in advance of its approval by the Board.

In considering viability overall, the Committee reviewed the Group's strategic plan with particular focus on the key assumptions in relation to revenue, cost growth and cash flow management. Sensitivities to these key assumptions were reviewed based on the impact of the Group's principal risks, individually and conflated, as set out on pages 21 to 29. The review includes the consideration of the impact of wider macro-economic factors including normalising pet ownership trends, low consumer confidence and recessionary impacts, competition, current geopolitical tensions, continuing issues throughout our global supply chains and climate change and the likely outcome of the Competition and Markets Authority ('CMA') investigation of the veterinary sector, as well as the potential impact of climate change and CFD as set out in our TCFD scenario analysis. As noted above, we have also considered the potential impacts of emerging new tariffs on our supply chain, albeit it is too early to reach any firm conclusions.

The Committee is satisfied that it is appropriate for the Group to continue to adopt the going concern basis in preparing the Annual Report and Accounts of the Group and, further, that the Longer-Term Viability Statement on page 30 is appropriate.

Significant matters and judgements

The Committee considered the significant matters in the year, considering in all instances the views of the Company's external auditor. The Committee has assessed the principal risks and emerging risks, and considers the key financial risks within the financial statements to be the carrying value of goodwill and Parent Company's investment in subsidiaries, accuracy of supplier rebates in addition to the assessment of control over Joint Ventures.

The assessment of control over Joint Ventures is now considered to be a critical accounting judgement. This is not a change in the judgement itself which remains unchanged.

Matter	Nature of the risk	How the risk was addressed by the Committee
Carrying value of goodwill and Parent Company's investment in subsidiaries	The Group holds a significant goodwill balance, and the Company holds significant investments in subsidiary companies. There are several factors that could impact on the future profitability and cash flows of the business, such as the increasing threat of competition in the pet sector, changes in consumer and market behaviour, and changes in the broader macro-economic environment (including inflationary and recessionary pressures and emerging tariff changes) and there is a risk that the business will not meet the required financial performance to support the carrying value of the Group and Company's intangible assets and the investments in subsidiary companies. Reference to financial statements; note 1.16 on page 89 and note 13 on pages 105 to 107.	The Committee reviewed and challenged management's process for testing goodwill for potential impairment, allocation of goodwill across CGUs or groups of CGUs, and ensuring appropriate sensitivity analysis and disclosure. This included challenging the key assumptions within each group of CGUs: principally cash flow forecasts, growth rates and discount rates, and comparing the Group's value in use to its market capitalisation. This review considered the normalising pet ownership trends, low consumer confidence and recessionary impacts, current geopolitical tensions, supply chain security, and climate change and the likely outcome of the CMA review of the veterinary sector on the Group's financial performance and future cash flows and therefore the carrying value of the Group and Company's intangible assets. The Committee also reviewed the external auditor's work and conclusions and the key assumptions they tested, and the evidence they used in reaching their conclusions. The Committee is satisfied that there is no impairment to the Group's goodwill balance or the Company's investment in subsidiaries and that there is appropriate disclosure in the financial statements.
Accuracy of supplier rebates	A proportion of overrider income is based on arrangements which are not coterminous with the Group's financial period, instead running alongside the calendar year which means an element is estimated based on forecast volumes. Supplier rebate policy; note 1.19 on pages 91 to 92.	The Committee reviewed and challenged management's supplier income recognition policy including an assessment of the judgements applied in the recognition of overrider income relating to the calendar year 2025. The Committee is satisfied that the level of overrider income recognised in the period is appropriate.
Assessment of control over Joint Ventures	Whether the level of an individual Joint Venture veterinary practice's indebtedness to the Group, particularly those with high levels of investment or indebtedness, implies that the Group has the practical ability to control the Joint Venture, which would result in the requirement to consolidate. Reference to financial statements; note 1.4 on page 85 and note 1.22 on pages 92 to 93.	The Committee has continued to monitor the process and controls around extending financial support to Joint Venture veterinary practices, and the recoverability of those loans and investments. We have also continued to review whether the level of practice indebtedness, or any other factors, infers control to the Group of a practice, and whether this challenges the existing accounting treatment. The Committee is satisfied the Group does not control the individual Joint Venture veterinary practices.

Ensuring a fair, balanced, and understandable Annual Report and Financial Statements

The Board is required to provide its opinion on whether it considers that the Group's 2025 Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy. During 2025 the Committee considered the many components of business performance to ensure it had a full understanding of the operations of the Group.

Key matters considered by the Committee include:

- reviewing, understanding and supporting the key judgements taken and estimates made and ensuring transparent disclosure
- ensuring an appropriate balance of GAAP and non-GAAP financial measures, reconciliations and rational for using Alternative Performance Measures
- considering each element of fair, balanced and understandable to ensure reporting was comprehensive, in compliance with accounting standards and other regulatory requirements

Audit and Risk Committee Report continued

The Committee has concluded that the disclosures, as well as processes and controls underlying its production, were appropriate and recommended to the Board that the Annual Report and Financial Statements are fair, balanced, and understandable, while providing the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Climate change disclosures

Climate disclosures and emissions reporting is an area which is complex and continually evolving. Committee members have received professional guidance and training in relation to the expected future reporting landscape, with particular focus on upcoming Task Force on Nature-Related Financial Disclosures ('TNFD') disclosure requirements, the associated LEAP assessment and the Transition Plan Taskforce ('TPT'), and aligning with the new standards (IFRS S1 and S2) released by the International Sustainability Standards Board ('ISSB') which have not yet been endorsed in the UK.

The Committee have worked with the Sustainability Committee to continue to support the development of the Group's climate risk scenario planning and reporting in relation to Task Force on Climate-Related Financial Disclosures ('TCFD') and the related considerations in the Group's going concern and longer-term viability assessment, including reviewing the commitments published by the Group.

The Committee have supported the re-appointment of Deloitte to perform limited assurance over selected GHG emissions metrics Scopes 1, 2 and limited Scope 3 this year.

Risk management systems and internal controls

Risk management and the system of internal control are the responsibility of the Board. It ensures that there is a process in place to identify, assess and manage significant risks that may affect achievement of the Group's objectives and that the level and profile of such risks is acceptable (based on the Board's risk appetite). The processes have been in place for the year under review and up to the date of approval of the Annual Report and Accounts.

The Committee provides oversight and challenge to the assessment of principal risks as set out on page 20. The Committee has continued to monitor and challenge the control environment of the Group including its general risk management, risk register and internal controls processes, as well as emerging and evolving risks considering the presence of key risk factors. This has included assessment of the likelihood and impact of principal risks materialising, and the management and mitigation to reduce the likelihood of their incidence or their impact. The Committee explores specific principal and corporate risks of the Group in detail, inviting the management team to discuss the risks, mitigations and further proposed actions. In 2025 the key topics covered in deep dives were cyber security, data privacy, business continuity planning, the pace of replacing ageing technology assets as well as health and safety.

During the year the Executive team have refreshed the risk management process ensuring new divisional leaders have clearly framed the risks in the context of the current economic backdrop, have articulated their risk appetite more precisely and set up regular monitoring of mitigations and the acceptability of residual risks carried by the Group. Skills in the central risk team have also been strengthened under the leadership of an experienced manager and the recruitment of a professionally qualified risk professional. Taken together this will better support the Committee's work on effective risk management.

The Group's principal risks and uncertainties are set out on pages 21 to 29. The three lines of defence governance model is set out on page 19 along with the Board's risk management process.

The Committee has monitored the progress of the internal controls enhancement project which has progressed well, being focused on improving the internal control environment whilst adapting to changes to the UK Corporate Governance Code.

The material controls have been defined and the control gaps and areas which require further remediation are being worked through. The principal risks have been considered and cascaded down to the material controls.

Most core business processes and related risks and controls have been documented. Key processes have been assigned to business owners and recommended actions to improve control weaknesses and the maturity of the control environment are being implemented. These relate to the retention of evidence, segregation of duties and the formality and consistency of control operation. We continue to have a strong focus on IT controls where the initial documentation is substantially complete, and our work continues to be focused on control improvements. In line with the FRC recommendations, the focus has also broadened to include non-financial controls, including business processes and controls across cyber security, pet welfare standards as well as data as an asset and data integrity. We have agreed our audit and assurance policy to guide the Committee's work in assessing effectiveness of material internal controls and implemented enhanced first and second lines of defence.

Information security and business critical systems, including cyber security risk, continues to be one of the Group's Principal Risks and an area we remain vigilant over given the increasingly complex nature of cyber attacks. We continue to review and improve our cyber protection approach, test and refine our incident response processes, including incident rehearsals strengthening the underlying framework. We are also reviewing our business continuity and disaster recovery capabilities in order to identify improvements in these areas. The Committee has reviewed the effectiveness of data protection policies, training plans and compliance.

AI is being used increasingly across the business to enhance efficiency, support innovation and improve the consumer experience. It brings complex risks and requires controls and guardrails over development, deployment and performance. The Committee has overseen the development of the AI governance framework, which is a material control framework, to ensure the framework is appropriate and the Acceptable Use Policy has been appropriately rolled out across the Group.

The Committee has reviewed health and safety performance reports twice in the year, including strategies and action plans developed by management. The Committee has also reviewed the effectiveness of the Group's whistleblowing procedures, and incident reports are reviewed regularly. Compliance with codes of conduct and culture and other key policies such as anti-bribery and corruption, anti-money laundering, and compliance with the Companies Act are conducted on an ongoing basis.

The Committee has reviewed the fraud effectiveness framework and the profit protection framework, including an update on the business assessment of fraud risks.

The Committee has continued to monitor the progress and delivery of major projects throughout the year including the digital platform and capability (Project Polestar), the pilot phase of the new practice management system within the Vet Group (Project Darwin) and the completion of the transition of our multichannel operations to our new distribution centre in Stafford (Project Spice), building on the lessons learned analysis carried out by the Board in relation to the transition of our store operations to Stafford. During the year the Committee appointed an independent and deeply experienced leader to provide assurance over the delivery of Project Darwin and to embed more rigorous disciplines over transformation programmes following the lessons learnt analysis.

The Committee has also performed risk reviews with management on several risk areas in the year including a review of treasury policy, ensuring it remains appropriate for the Company, and has overseen the adequacy of insurance coverage over material risks for the Group, and the maintenance of appropriate standards of pet welfare.

Audit and Risk Committee Report continued

The Board, through the Audit and Risk Committee, are satisfied that the internal control framework is effective but acknowledges that the Internal Controls project is progressing to enhance the risk management process and internal financial controls, which both the Board and Committee will continue to monitor in FY26.

Internal audit

The internal audit function is independent and has a direct line of report into the Committee, and is an important part of the independent assurance processes within the business. A number of audits are outsourced to PwC, as part of our co-source agreement in order to ensure the team have adequate resource and appropriate expertise. The Committee reviews and approves the internal audit plan every year which is developed to address principal and corporate risks across the business as well as reviewing core governance, financial and commercial processes. We use the varied experience of the Committee members to ensure assurance is focused on all the right issues.

The Committee reviews the reports and recommendations in detail and monitors management's responsiveness to the findings and recommendations to ensure action is taken in a timely manner to improve the control environment.

The Head of Internal Audit attends each Committee meeting, updating on progress against the audit plan, reporting on any key control weaknesses identified and progress against mitigating actions.

This year, ahead of the next External Quality Assessment of Internal Audit and the new Global Internal Audit Standards and the UK Internal Audit Code of Practice, the Committee made a number of changes to strengthen the function. Firstly risk management was separated and put under the leadership of a more senior and experienced manager (see risk section above). We also rotated PwC's internal audit lead to bring in a new leader with fresh perspectives and experience from a broader range of sectors who will bring more insight and challenge to the work of internal audit. We have also appointed a new Head of Internal Audit to bring in stronger leadership and audit experience.

During the year the internal audit team performed internal audits over risk areas covering Strategic, Operational, Financial, and Legal and Compliance.

Strategic audits covered the implementation and continued enhancements in relation to the new digital platform (Project Polestar). The requirements for the level of assurance over the new Vet Group Practice Management System (Project Darwin) and Vet Group consumer data (Project Wallace) will be developed into FY26. We have ongoing embedded assurance within major strategic projects to report back to the Board and Committee on key risk themes. Following recommendation by the Committee, the Board has carried out a lessons' learned analysis in relation to transition of our distribution centre (Project Spice) which has been taken on board in the planning for the transition of the multichannel operations.

Operational audits included an in-depth best practice review of the business continuity scenarios and framework, review of the efficiency around retail transport and logistics and a review of critical cyber and information security suppliers.

Legal and regulatory compliance audits included a review of the whistleblowing policy, including benchmarking against best practice framework and a review of the health & safety framework.

All reports, related findings and recommended actions have been discussed by the Committee and are tracked to completion.

Over the next three years the internal audit plan will focus on culture, data governance, pet welfare, supply chain resilience, discounting refunds and assurance for the key strategic projects in place including enhancements in relation to the new digital platform (Project Polestar) and development of the Vet Group consumer data (Project Wallace). The plan will be reviewed every six months to ensure it remains flexible and aligned to the timing of business priorities and key strategic projects. In FY26 the Committee will also carry out a review of the activities and effectiveness of the internal audit function to meet the requirements of the internal audit plan.

External audit

Following the audit tender conducted in 2024 Deloitte have been appointed auditors for the financial year ended 27 March 2025. A formal handover process was undertaken to ensure an effective transition from KPMG to Deloitte. Deloitte presented their transition plan, and audit strategy, plan and risk assessment at the September 2024 ARC meeting, following their official appointment at the AGM in July 2024. A competitive tender process will be carried out within 10 years of their appointment. The Committee reviewed and approved the FY25 external audit fees.

Deloitte carried out a review of the interim reporting and presented their audit findings to the Committee, identifying their consideration of the key audit risks for the year and the scope of their work. These reports are discussed throughout the audit cycle.

Deloitte have brought a fresh pair of eyes to our key financial risks, accounting policies and the Annual Report and Financial Statements, which the Committee has valued and endorsed the choice of new auditors in 2024. They have also improved audit quality by using advanced analytics applications in a number of areas. This improves coverage of audit to a substantial portion of high volume transactions as well as predictive analysis to better identify exceptions on which audit effort is directed.

Deloitte also attend the Committee meetings and meet separately, without management present, to discuss any matters in detail.

Deloitte have been re-appointed to perform the limited assurance review over selected ESG metrics this year.

External auditor's effectiveness

The Committee considered the quality, effectiveness, independence, and objectivity of the external auditors through the review of all reports provided, regular contact and dialogue both during Committee meetings and separately without management. The Committee also considered the firm's Audit Quality Indicators such as experience of the audit team and their sector and PLC experience, reviewing FRC's Audit Quality Inspections, ICAEW reviews and firm wide Quality Management Systems. The Committee was satisfied that taken together Deloitte had performed their audit effectively, efficiently and to a high quality. The FRC carried out an Audit Quality Review of KPMG's audit of the Company for the year ended 28 March 2024 and discussed the detailed findings with the Committee Chair.

As this is Deloitte's first year as auditors, a survey will be conducted across Committee members, management, and members of the finance and IT teams in Autumn 2025, to assess audit quality and effectiveness. The questionnaire will focus on the effectiveness of the first year audit compared to expectations set during the audit tender process, as well as overall audit quality.

Audit and Risk Committee Report continued

Auditor independence

Maintaining the objectivity and independence of the external auditors is essential. The Committee has taken appropriate steps to ensure that the Company's external auditors are independent of the Company and obtained written confirmation from them that they comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

Additional non-audit services provided by the auditors may impair their independence or give rise to a perception that their independence may be impaired. The Group has a policy in relation to the provision on non-audit services that is aligned with the FRC's 2024 Ethical standard to provide further clarity over the type of work that is acceptable for the external auditors to conduct. The policy sets out the process required for approval and a cap to the total non-audit fees for permitted services (at 70% of the audit fee). The policy was last reviewed in the year ended 27 March 2025.

Audit and non-audit fees paid to Deloitte in the year were £1,701,000 and an analysis is presented in note 3 to the consolidated financial statements. Non-audit fees represent 8% of the audit fee. Non-audit services provided by the external auditors during the 2025 financial year comprised audit related assurance services, in the form of an independent review of the interim financial statements, assurance over selected ESG metrics and a financial covenant compliance certificate.

The Committee concluded that the provision of such services was appropriate given that they were closely related to the work performed in the external audit process and, for reason of effectiveness and efficiency, it was considered advantageous to engage the external auditors due to their knowledge and expertise.

Resolutions to re-appoint Deloitte as auditors and to authorise the Directors to agree their remuneration will be put to shareholders at the Annual General Meeting that will take place on 10 July 2025.

What we will do in 2026

The Committee will continue to carry out its responsibilities as set out in the terms of reference and has an annual plan for meeting agendas. Particular areas of focus in FY26 will include:

- monitoring emerging and maturing risks,
- continuing to develop our internal controls framework and monitor progress of the internal controls project ahead of our compliance date of March 2027
- ensuring the Company maintains an audit and assurance policy, which provides a framework as to how the Company is obtaining assurance on reporting beyond that required by the statutory external audit. The policy will be based on the identified principal risks and material controls
- monitoring and building our fraud policy and conduct an annual fraud effectiveness review across the business.
- reviewing the progress and delivery of major strategic projects
- reviewing the development of the data protection framework and data compliance programme across the business and carry out a regular review of the responsible AI governance framework, ensuring it remains appropriate as our understanding of AI continues to evolve
- review and assessment of the internal audit plan to ensure it is aligned to the principal risks of the business

In conjunction with the Sustainability Committee, we will:

- review the content, integrity and completeness of external statements and disclosures about sustainability activity, prior to Board approval, including information to be included in the Annual Report, and mandatory or voluntary disclosures in line with recommended practice and regulatory requirements. This will include assessment of new reporting standards such as the TNFD and publication of climate transition plans in line with stakeholder expectations assess and challenge the material climate related risks including the Scope 3 impact on supply chains, and the delivery risks in Net Zero transition plans for products and services. Linked to the audit and assurance policy the Committee will review the requirement for extended external assurance of sustainability related matters, and as necessary, appoint external parties to provide assurance on relevant reporting. We are also reviewing our approach to pet welfare in regard to our audits, pet health data and colleague enquiries, as set out in the Sustainability Committee report on pages 47 to 48.

Where requested by the Board, the Committee will ensure that a robust assessment of the principal and emerging risks facing the Company has been undertaken (including those risks that would threaten its business model, future performance, solvency or liquidity) and provide advice on the management and mitigation of those risks.

Audit Committees and the External Audit: Minimum Standard

The Committee confirms that for the year ended 27 March 2025, it has complied with the Audit Committees and the External Audit Minimum Standard ('the Standard'). The Committee in conducting its recent audit tender in 2024 disclosed the criteria in the 2024 Committee Chair's Report. Elsewhere in this report we have explained how significant issues and accounting policies are considered, how independence and objectivity is assessed and how audit quality is actively monitored.

Further engagement

I look forward to seeing you at the 2025 AGM and if you wish to discuss any aspect of this report, please contact me via our Company Secretary, Ms Lesley Lazenby at companysecretary@petsathome.co.uk.

Zarin Patel

Zarin Patel
Chair, Audit and Risk Committee
28 May 2025

Sustainability Committee Report

A continued focus on planet, pets and people.

Garret Turley
Chair of the Sustainability Committee

What we did in FY25

- Reviewed the net zero transition priorities and the role of carbon mitigation and capture
- Approved the Vets for Pets antimicrobial stewardship guidance documents
- Continued to focus on the monitoring and delivery of our high standards of pet welfare across the Group
- Received an update on the Human Rights strategy including progress resulting from the increased dedicated resource in this important area

What we will do in FY26

In addition to our continued review on pet welfare, during FY26 we will focus on the implementation of the strategy:

- Agree additional measures to support the net zero transition, in particular assessing an updated glidepath
- Review the effectiveness of the Groups' charity strategy and support of pet charities across the UK
- Evaluate specific areas of our People pillar where the Sustainability Committee has oversight including diversity and inclusion, community impact and human rights

Introduction and strategic approach

In my first year as Chair, I am pleased to present, on the behalf of the Sustainability Committee, our report on our activity for the year ending 27 March 2025. In my first meeting as Chair, the Committee agreed to change its name from ESG to Sustainability. We felt that Sustainability better captured the broader more holistic view of the Company's impact, better reflected the Company's internal values and purpose and our recognition that we can deliver competitive advantage through our sustainability efforts.

The Committee oversees the governance of our sustainability strategy 'Our Better World Pledge' which has been in place for four years. Our strategic approach to sustainability is organised around three pillars of Planet, Pets and People where the Group has material impact and creates value. We believe these pillars are the right way through which to approach our responsibilities and align with our Group purpose, to create a better world for pets and the people who love them.

In relation to the planet pillar, the strategy is focussed on the Group's response to the climate emergency and the increasing concerns around bio diversity loss. This cuts across all areas of the business, particularly the impacts of pet care products which make up the vast majority of the Group's Scope 3 emissions. This delivery of the SBTi-approved carbon reduction targets and the transition to the 2040 net zero target are a key area of Committee discussion.

Recognising that the Group participates in a broad range of activities and services involving pets, their welfare remains a central part of the Committee's focus and a standing item on every Committee meeting agenda. The Committee maintains a regular review of pet welfare governance and this was the main agenda item at the March meeting . The Committee regularly reviews the Group's policies and procedures in relation to pet welfare in its retail business and supply chain, and the development of its clinical governance framework in the veterinary services business.

The Committee's focus on people includes the approach to assessing salient human rights risks across the operations and supply chains and to diversity and inclusion.

The three management committees established five years ago to support Our Better World Pledge strategy, have continued to meet on a regular basis. Each of them is chaired by a Director and our Sustainability Director also attends all of these meetings.

Committee membership

The Sustainability Committee, which meets at least three times a year, is chaired by Garret Turley. Acknowledging the importance of Sustainability to the Group, all five additional non-executive Board members have been selected to attend the meetings.

The CEO Lyssa McGowan is the Executive member of the Committee. In addition Lucy Williams, Chief People and Legal Officer, attends in her capacity of being the executive member with sustainability responsibility. Amy Whidburn, Sustainability Director also attends each meeting.

Sustainability Committee Report continued

Highlights

A. Strategic progress

In addition to the focus on pet welfare, during the year the Committee has reviewed a number of topics central to the delivery of the Sustainability strategy:

Net Zero Transition

- At the July 2024 meeting the Committee reviewed and discussed a thought provoking future facing paper which painted a picture of the Pets business in 2031, the same date as the delivery of the SBTi medium term carbon reduction target. The paper described the key changes that would have taken place to enable this successful transition. The Committee discussed the balance between the current priority of carbon reduction, via the eight net zero transition priorities, and reliance on change in areas that are important in the transition, but where the business has less direct control. These indirect areas include consumer behaviour change, investment in innovative technologies (over and above our current investment in cultivated meat) broader advocacy and lobbying in developments such as regenerative agriculture and grid and transport decarbonisation. These are challenges faced by many other businesses which is why we continue to have an active involvement in industry bodies. The Committee agreed to continue with the current focus on the eight net zero transition priorities and to review our role to support broader changes on a regular basis. A separate and connected paper on carbon capture and mitigation summarised the current nature based and technology based solutions and provided a helpful summary of the current landscape, over which we agreed to maintain a watching brief.

Leading in sustainable pet food

- Pet food is one of the eight net zero transition priorities and a particular focus as it is a non discretionary purchase for pet owners and has carbon and nature impacts. The Committee meeting in March 2025 received an update on progress in this area and was delighted that over 250 of our own brand complete cat and dog food products, representing over 65% of own brand complete cat and dog food sales have been carbon footprinted. These insights are now being used to support reformulation of existing ranges and inform new product recipes and new product listings. Sustainable pet food has, for the first time, been included as a module in nutrition training for colleagues. This enables our colleagues to have informed discussions with pet owners who are interested in including sustainability considerations into the nutrition choices for their pets.

Human Rights

- The second Committee meeting in September 2024 received the annual update on the Human Rights strategy along with the approval of the annual Modern Slavery Act statement. Additionally, a supplier exit policy was reviewed and approved. The Committee received an update on the work and progress of the Ethics and Sustainability lead who had been appointed to the Hong Kong Sourcing Office during the year. The strategy of prioritising in house audits of all of our own brand existing and prospective tier one factories was discussed and agreed. The results of his initial 24 visits were also discussed. The subject of relative risks by geographic region was explored and it was agreed that the Committee would continue to monitor the effectiveness of the current approach and additional resource in the context of the sourcing strategy. The Committee welcomed the additional colleague training that had been undertaken and the integration of ethical audits with the onboarding of new suppliers.

Antimicrobial Stewardship

- This critical one health topic was reviewed at the September 2024 and March 2025 meetings. Detailed guidance has been developed for practice owners and data monitoring is now in place. The Group will also continue to play an active role in the RVC Vet Compass project on antibiotic usage in cats and dogs.

Pet Governance

- This Committee received a detailed update from the Veterinary Service Director (VSD) on Pet Governance in relation to pets that we sell in our pet care centres. The Vet Services team are reviewing our approach to pet welfare including our store and breeder audits, our ongoing monitoring of pet health data and responding to colleague enquiries and requests for advice in relation to pet health. The Vet Services team will make recommendations on opportunities to further improve our data capture and audit approach and our supply strategy for live pets. The Committee will continue to receive regular updates on this important area

B. Embedding the refreshed strategy

In the second year of the implementation of the refreshed strategy it has continued to be important to embed the delivery into relevant teams across the organisation:

- The Executive Management Team continued to have a proportion of their annual bonus dedicated to sustainability performance. The Committee agreed that this would be measured by the FY25 milestones being achieved across each of the 12 Sustainability targets.
- From a broader colleague perspective, the sustainability team have brought together the 'planet champions' across the business, a movement of colleagues who have volunteered to support the planet activities in their own pet care centres, vet practices or offices
- The volunteering programme called 'Our Better World Pledge Days' has been successfully bringing teams together to participate in community activities that have a positive impact on planet, pets or people, bring the strategy to life at a local level.

C. Governance and Controls

Governance and Controls continue to be reviewed in relation to the strategy:

- At the July meeting the Committee reviewed the developing regulatory landscape with a particular focus on TNFD, TPT and ISSB requirements.

The latest Terms of Reference for the committee can be found on the Pets at Home Group investor website.

Garret F. Turley.

Garret Turley
Chair of the Sustainability Committee
28 May 2025

TCFD Statement

Introduction

Pets at Home recognise the climate emergency poses risks and opportunities to our strategy and operations. To that end, sustainability and climate change is featured as a principal risk within our Annual Report (see page 23). Pets at Home is required to comply with the reporting recommendations of the TCFD (as set out in Listing Rule LR 6.6.6R (8)). This report also meets the requirements for Pets at Home to comply with CFD, a part of the Companies Act.

In this section, we outline our approach to climate-related risks and opportunities, which our scenario analysis concludes will likely present over the long term which we define as between five and 20 years.

Our disclosures are consistent with the TCFD's four elements, and its 11 recommended disclosures, in line with the TCFD 'Guidance for All Sectors' (LR 6.6.6R (8)). Please see the table below for a cross-reference index of these requirements and where to find them.

Reporting boundaries and 'Net Zero' definition

To encompass our unique business model Pets at Home Group deviates from the standard GHG protocol guidance on defining reporting boundaries for reporting of Scope 1, 2 and 3 carbon dioxide equivalents (CO_2e). In addition to taking an operational control boundary for our retail business, we include our Joint Venture veterinary practices into our reporting boundary. This also differs from our accounting approach which is detailed in the critical accounting judgements in note 1.22 on page 92.

The decision was made that Joint Venture veterinary practices would also be in scope of emissions reporting as there are no separate meters installed for vet practices which are located within the same building envelope as retail units. This same rule was applied to standalone Joint Venture practices to ensure consistency of approach.

Where used across this statement and all other areas of corporate reporting the term 'Net Zero' refers to our SBTi approved, 2040 target. i.e. we commit to reduce absolute Scope 1, Scope 2 market based and all Scope 3 GHG emissions by 2040 from a 2020 base year.

Please see our standalone Sustainability Report for more details on our Net Zero plans.

TCFD index

TCFD elements	TCFD recommended disclosures	Cross-reference (page numbers)
Governance	(a) Board oversight	50
	(b) Management's role	50
Strategy	(a) Climate-related risks and opportunities	52-54
	(b) Impact on the organisation's business, strategy and financial planning	51,54
	(c) Resilience of the organisation's strategy	55
Risk management	(a) Risk identification and assessment processes	56
	(b) Risk management process	56
	(c) Integration into overall risk management	56
Metrics and targets	(a) Climate-related metrics in line with strategy and risk management process	57
	(b) Scope 1, 2 and 3 GHG metrics and related risks	57-59
	(c) Climate-related targets and performance against targets	60

TCFD Statement continued

Governance

Disclosure requirement	Description of progress
a) Describe the Board's oversight of climate-related risks and opportunities	The Board led by the Chair, Ian Burke, has ultimate responsibility for the Group sustainability and climate change strategy and ensuring that it creates mutual value for stakeholders. Oversight of climate change strategy is a matter reserved for the Board, via the Sustainability Committee. Oversight and management of climate-related risks and opportunities occur at several levels in the organisation. At every level the reporting lines flow up to the Board. – The Sustainability Committee comprises all Non-Executive Directors and the Chief Executive and Chief Financial Officer and is chaired by a Non-Executive Director. This Committee has a standing climate change item on every agenda. The Committee meets at least three times a year and receives a written update on climate change and environmental matters at every meeting and an in-depth review on an annual basis. The regular update includes a review of sustainability risks and the status of climate-related projects and initiatives. The in-depth review includes a progress update against the 2030 and 2040 carbon reduction targets vs a 2020 base. For example, in March 2025 the Sustainability Committee received an update on the initiatives in the planet pillar which included all eight net zero focus areas. Scope 1 and 2 emissions are updated in full on an annual basis and the forward forecast is refreshed. – Climate-related skills and experience are included in the skills matrix of the Board of Directors included in the Annual Report on page 50. The Board provides challenge to the Executive Management Team on progress against the goals and targets of the climate strategy and ensures the Group has an effective risk management system in place. This is principally governed via two main Committees: the Audit and Risk Committee and the Sustainability Committee. – Climate change has been made a standing agenda item at every Board meeting since December 2022. Across FY25, the Board made decisions relating to our climate-related risks and resilience strategy. Examples include: – The review of our approach to carbon mitigation and carbon capture investments resulted in the decision to retain our relatively small scale approach which mitigates the impact of residual buildings carbon from gas in some buildings where it is not economic to remove it and the decision to focus investment and management focus on carbon reduction activities while keeping a watching brief on developments in the carbon capture market.

Disclosure requirement	Description of progress
b) Describe Management's role in assessing/managing climate-related risks and opportunities	The Chief Executive Officer has overall responsibility for climate change and sustainability topics. – The Chief Executive Officer is supported by the Sustainability Director and Executive Management Team to develop and implement the strategy through a number of management committees. Each committee is chaired by a Director. Our Better World Pledge ('OBWP') strategy includes climate strategy as a key pillar. Progress towards delivering this strategy is discussed and updated at the Executive Management Team meeting on a regular basis. – In FY24 and FY25 our remuneration policy included linking an element of remuneration to sustainability-related objectives, 10% of possible bonuses for C-Suite, Directors and Managers is linked to the performance milestones of the Group against 12 Sustainability metrics, 5 of which related to climate change. These are detailed in Table 3 in the metrics and targets section c on page 60. As shown in chart one, the management of climate change projects is the responsibility of two principal committees: 1. The Climate Change and Waste Committee meets every six to eight weeks and is responsible for developing and implementing the business strategy relating to operational environmental impact, including the vet business. This includes Scope 1 and 2 energy and carbon emissions for buildings, transport logistics, and waste management. 2. The Responsible Products Committee meets every six to eight weeks and is responsible for developing the strategy for managing the value chain environmental and ethical impacts of our products. This includes human rights, circularity and waste, packaging, raw materials, and Scope 3 emissions of product ingredients, manufacturing, use and disposal. Each committee is responsible for climate-related risk mitigation, idea generation, operational delivery, project management, KPI development, and progress tracking.

TCFD Statement continued

Chart One : Oversight and Management of Climate Related Risks and Opportunities

Board

Plc Board. Responsible for the overall leadership of the Group including matters of Governance, Reputation, Environmental and Social Sustainability.

Sustainability Committee. Reviews and monitors the Group's approach to Environmental, Social and Governance topics. Climate change is a key component of this.

Audit and Risk Committee. Reviews and monitors the Group's Risk Management Framework which includes climate-related risks. Oversight of internal and external financial and non financial climate-related information.

Management

Executive Management Team. Responsible for identifying climate-related risks within their business function and delivering the Climate Strategy.

CEO. Accountable to the Board for the implementation of the Climate Strategy.

CFO. Accountable to the Board for integrating climate-related metrics and targets into business decision making and reporting.

Sustainability Director. Responsible for Climate Strategy development and subject matter expert.

Head of Internal Audit. Provides objective assurance to the Board and Audit and Risk Committee on the effectiveness of the Risk Management Framework.

Climate Change and Waste Committee. Responsible for consideration of climate related risks and opportunities that impact our business operations.

Responsible Products Committee. Responsible for climate-related risks and opportunities that impact products and broader supply chains.

Other

Group Risk Manager and Business Risk Champions. Consider climate-related risks and opportunities that impact the operations and strategic priorities within their relevant business area.

The chart above shows the key committees, forums and individuals with responsibility for climate-related matters. All of these committees and individuals report up to the Board. Escalation procedures are in place to enable responsibilities to be met.

Strategy

Strategic overview and context

Our business purpose is 'to create a better world for pets and the people who love them'. Sustainability is placed at the heart of our vision 'to build the world's best pet care platform'. Our sustainability strategy ensures that we are prioritising actions that will make a material impact and create a commercial advantage. Within the 'Planet' pillar of our sustainability strategy we are focused around the delivery of our Science Based Targets initiative (SBTi) approved near-term (2030) and long-term net zero (2040) emissions reduction targets. We have a goal 'to make pet care environmentally sustainable' and plan to achieve this by prioritising making pet food sustainable, which is the most important and complex of our carbon reduction pathways. Making pet care environmentally sustainable is our strategy to manage and mitigate climate risks and develop climate resilience over the long term. In addition, we see environmentally sustainable pet care as an opportunity to be leading and gain commercial advantage, through increased customer revenue and market share from Pets at Home leading the market for environmentally sustainable pet care, in a warming world.

In 2022, we conducted a qualitative scenario analysis to review climate-related impacts. We developed three customised scenarios, each rooted in prevailing scientific evidence (see: information box 1), and during a series of internal workshops reviewed climate-related impacts across our short, medium, and long-term time horizons (see information box 3). These time frames have been selected because of the alignment with our business processes, cycles, strategic goals and SBTi approved emissions reductions targets (see information box 2).

The scenario analysis identified the high-level risks which were subjected to materiality review and discussed with the Board. These scenarios were selected because they were connected to the key elements of our business that drive our financial performance: the operation of our UK retail and vet estate and supporting logistics infrastructure, the supply chains for the pet care products that we sell through our omnichannel platforms and the long-term sustainability of pet ownership in a warming world which could impact pet numbers, pet breeds being better or less well suited and changing health factors. We have grouped the risks into three over-arching categories under which the high-level risks now sit: 'physical risks,' 'transition risks' and 'declining pet ownership in a warming world'. The first two sit together under our Group principal risk of Sustainability and Climate Change, the third is categorised as an emerging risk. This third risk is monitored via the Group watch list of emerging and developing threats, where the timeline, impact or potential mitigation is not yet clear. In line with best practice we plan to repeat our scenario analysis in 2025.

These risks and our analysis are summarised in information box 3.

TCFD Statement continued

Information box 1 – a qualitative scenario analysis was conducted in 2022, this information box summarises the underlying assumptions used to develop these scenarios

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters and assumptions
Physical and transition scenarios	Full Value Chain	1.5˚C	Action taken has achieved the aims set out in the 2015 Paris Agreement to limit climate change to below 1.5˚C of pre-industrial levels, but with significant shifts in policy, cost and consumer behaviours. The scenario was developed by incorporating scenarios which are rooted in prevailing scientific evidence. Specifically: – Representative Concentration Pathway (RCP) 2.6 – Shared Socioeconomic Pathway (SSP) 1 – PRI Inevitable Policy Response (IPR): 1.5C Required Policy Scenario
Physical and transition scenarios	Full Value Chain	2˚C	Not much has changed from today. Some action has been taken, but it's very much business as usual. Uncertainty increases, and impacts of a changing climate manifest themselves in vulnerable parts of the world. The scenario was developed by incorporating scenarios which are rooted in prevailing scientific evidence. Specifically: – RCP 4.5 – SSP 2 – PRI IPR: Forecast Policy Scenario
Physical and transition scenarios	Full Value Chain	3˚C	Economies around the world have continued to be powered by fossil fuels. As a result, the planet is in crisis and well past the point of no return by 2030. Global warming has accelerated and changes in climate are all around, tangible and, in some cases, catastrophic. The scenario was developed by incorporating scenarios which are rooted in prevailing scientific evidence. Specifically: – RCP 6.0 – SSP 5

Information box 2 – time horizons

The following time horizons have been used:

Time period	Years	Reason
Short	0 to 2 years	Aligns to our business financial forecasting cycle
Medium	2 to 5 years	Aligns to our strategic planning cycle
Long	5 to 20 years	Longer term captures the transition and physical risks and opportunities and aligns to our long-term carbon reduction targets

Information box 3 – risk summary

Risk	Time frame				Scenario	
	Short Term 0–2 years	Medium Term 2–5 years	Long Term 5–20 years		1.5/2°C	3°C
Physical	Unlikely	Unlikely	Likely	Probability:	Low	Moderate
				Impact:	Minor	Moderate
Transition	Unlikely	Unlikely	Likely	Probability:	Moderate	Low
				Impact:	Major	Minor
Declining pet ownership in a warming world	Unlikely	Unlikely	Likely	Probability:	N/A	Emerging
				Impact:	see page 54	

The impact of these climate-related risks on our businesses and strategy are further disclosed in the following tables. Our initial assessment has identified that in the long term there could be material financial impacts which have been included in the risk summaries below.

TCFD Statement continued

TCFD Strategy Disclosure requirement sections a and b: Description of climate-related risks and opportunities identified and their impact on business, strategy and financial planning.

1. Physical risk – Category : Chronic. 3°C scenario

Description of risk:
Cost of repair and/or loss of revenue from assets and supply chain disruption.

Extreme weather events affecting continuity of own operations, supply of products and sales (stores, distribution centres, vet practices) and disrupting supply chain sourcing (raw material sourcing and supplier operations).

Business impact:
Modelling of our UK sites indicates that the vast majority are not located in areas of flood risk. While we have observed weather events increase in severity and frequency over recent years, operational impacts have been limited and further incidents in the short and medium term can be managed within the framework and cost of existing controls.

The majority of our pet food is sourced from the UK. Initial assessment of raw material and manufacturing exposure to risk of extreme weather events in the short and medium term is assessed as low. Further work is required to understand long-term impacts on UK farming and raw material availability.

Our accessories ranges are predominantly sourced overseas. Initial assessment of raw material and manufacturing exposure to risk of extreme weather in the short and medium term is assessed as low. Further work is required to understand long-term weather-related impacts from the 2030s onwards.

Proximity:
Long term (five to 20 years)

Risk rating before mitigation:

Probability: Moderate

Financial Impact:
Minor – Moderate

Across the short/medium term business impacts are expected to be low. However, in a 3C scenario we expect these impacts to increase in the long term and our broader supply chains could be vulnerable.

Risk management and mitigation actions:
- Ongoing assessment of climate-related weather vulnerabilities in relation to our operations, suppliers and raw materials.
- Monitoring the frequency and severity of climate-related weather events.
- Regular review of business continuity plans for the distribution centre.
- Conducting climate risk reviews proactively ahead of decisions to locate new operational infrastructure or select new suppliers.
- Continuing to strengthen our long-standing relationships with key suppliers and freight partners.
- Maintaining sourcing location flexibility, across the medium to long term, to switch supply lines away from areas of emerging risk, including review of weather-related risk when new sourcing locations are being considered.

2. Transition Risk – Categories: Regulatory requirements and reputation. 1.5°C scenario

Description of risk:
Increase in the cost of doing business.

Operational and value chain decarbonisation – inability to efficiently transition our value chain and products and services to low carbon models.

Possible introduction of more stringent environmental regulation has the potential to increase the cost of production and operational flexibility, as carbon costs become increasingly internalised.

Business impact:
Increased operating costs relating to the transition to a low carbon economy e.g., higher energy costs, changes in production costs, and direct and indirect carbon taxation, most likely via carbon pricing initiatives such as CBAM e.g., meat tax on pet food. Other food and farming regulations relating to sustainability being implemented in Europe as part of the Green Deal.

Capital investments relating to uncertainty and nascent development of low carbon technology e.g., alternative fuels for distribution vehicles. Market competition and unpredictable costs relating to delivery of our carbon transition plan, particularly in relation to the availability and demand for new products and services e.g., high quality carbon removal opportunities.

Products and services not transitioned quickly enough to low carbon models to meet consumer shift in preference to lower impact pet food and low carbon accessory products resulting in loss of revenue and reputational damage.

Proximity:
Long term (five to 20 years)

Risk rating before mitigation:

Probability: Moderate

Financial Impact:
Moderate – Major

Risk management and mitigation actions:
- Business case – capital allocation to invest in operational infrastructure to reduce operational carbon, such as the investment in a solar array at our Stafford Distribution centre in FY25.
- Long-term supplier partnerships to enable collaboration and investment in innovative R&D solutions.
- R&D investment to develop the market for animal-meat alternatives through our investment in Good Dog Food Ltd ('Meatly'), which we continued during FY25 by investing a further £1m in their Series A funding round. Meatly were the first company to produce cultivated meat contained in pet treats, launched exclusively at the Brentford Pet Care Centre in February 2025.
- Pet food strategy – mitigation of meat protein tax could include passing it on to customers to incentivise switching to lower carbon options.
- Supplier engagement underway to decarbonise supply chain.

TCFD Statement continued

3. Emerging risk: Declining pet ownership in a warming world – Category: Market. 3°C scenario

Description of risk:
Emerging.

Pet ownership – changes in pet ownership, over the long term driven by potential cost increases of pet care, due to the manifestation of physical and transitional risks.

Changes in consumer attitudes to pet ownership, where owning a pet may be viewed as irresponsible in a warming world.

We recognise that there could be the opportunity of increased customer revenue and market share from Pets at Home leading the market for environmentally sustainable pet care, but it is not possible to measure, therefore it is not included in this analysis.

Business impact:
The implicit and explicit price of carbon drives up prices and general living costs are squeezed. At the same time pet ownership becomes socially unacceptable as consumers seek to reduce their environmental impact and pets are seen as a luxury and climate burden. In this scenario, pet numbers fall as fewer consumers opt for pet ownership.

Proximity:
Long term (five to 20 years)

Risk rating before mitigation:

Probability: Low

Financial Impact: Moderate

Pet ownership has historically been resilient to economic and social factors, this seems unlikely to change over the next 10 years. Market insight on pet ownership and trends offers early signals to changes. Our experience suggests these will be gradual over time.

This risk is monitored via the Group watch list of emerging risks, where the timeline, impact or potential mitigation is not yet clear.

Risk management and mitigation actions:
Our strategy is to make pet care environmentally sustainable, thereby neutralising potential consumer concerns that pet ownership is socially unacceptable.

- Strategic investment in priority areas such as pet food to identify lower carbon ingredients and manufacturing processes that meet consumer expectations.
- Ongoing long-term monitoring of consumer and societal attitudes to pet ownership.
- Regular monitoring of consumer and market trends to identify shifts in behaviour to which we can respond.
- Frequent planned range reviews to respond to change in consumer preferences.
- Championing the benefits that pets bring to our lives, e.g., enhanced wellbeing via consolidation of existing research.

Financial planning

Climate related risks and opportunities are considered within financial planning. We have analysed the risks in the short to medium term, and have carried out financial quantification of the potential impact over the long term (five to 20 years). We have not completed quantification on risk 3 above 'declining pet ownership in a warming world' due to the very low probability of this risk as described in the risk summary above. The financial quantification that we have completed, on risk 1 and 2, is shown in information box 6, with note that future improvements in methodologies are likely to lead to more certainty around this analysis. This analysis has been built into the going concern assessment detailed in note 1.3 on pages 84-85 and the goodwill impairment testing in note 13 on pages 106-107. Our sustainability materiality review includes climate action and pet food sustainability as material topics and is referenced in our viability statement on page 30. Our full materiality assessment can be found in our standalone FY25 Sustainability Report.

Information box 4 – Financial impact assumptions

Risk	Reason
Extreme	>£15m on sales revenue
	> £6m Profit Before Tax (PBT)
Major	> £5m < £15m on sales revenue
	>£2m < £6m PBT
Moderate	>£1m <£5m on sales revenue
	>£400k < £2m PBT
Minor	>£200k < £1m on sales revenue
	>£100k <£400k PBT

Information box 5 – Carbon tax assumptions

Tax range	£ per tonne
Low	£14 per tonne
Medium	£36 per tonne
High	£60 per tonne

TCFD Statement continued

Information box 6 – Financial quantification summary

Area/scope	Risk/opportunity category	Risk modelled	Potential long-term impact on our business, before mitigating actions	Quantification of impact	Targets in place to manage this risk
Direct carbon emissions	Transitional risk: policy and legislation	Carbon tax on Scope 1 & 2 location-based emissions	Potential PBT impact within operating costs of £0.3m to £1.4m (modelled using FY25 emissions)	Moderate	– Scope 1 and 2 reduction targets
UK property estate	Physical risk: managing infrastructure and operations in extreme weather	Flood and extreme weather risk	Potential PBT impact within operating costs of < £0.4m	Minor	n/a
Animal protein	Transitional risk: policy and legislation	Carbon tax on animal protein included as an ingredient in pet food own brand and supplier branded	Potential PBT impact within cost of sales of £1.5m to £6.1m* (modelled using FY25 sales data)	Moderate-Major	– Scope 3 reduction targets – Own brand pet food products carbon footprinted – Suppliers with leadership position carbon reduction programmes in place

* The analysis on the impact of a carbon tax on animal protein assumes that this obligation is all passed onto Pets at Home and is not fully or partially borne by producers, suppliers or consumers. This calculation has been made using FY24 data to align with our annual Scope 3 update which at the moment is one year in arrears.

TCFD strategy disclosure requirement section c: Describe the resilience of your strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Our materiality assessment identifies sustainable pet food and climate action among the top sustainability topics to address.

The scenario planning work was used to develop our understanding of the impact on our identified physical, transitional and emerging risks and this has informed our strategic response to ensure that we are developing a resilient strategy. Our sustainability strategy 'Our Better World Pledge' prioritises reduction of our Scope 3 emissions, and within that, pet food as the largest impact area and a non-discretionary purchase for pet owners.

Our strategic response to the physical risks focuses on monitoring. Our UK based operations present a lower risk of extreme weather events and our supply chain locations remain flexible in the long term, which provides resilience to the most extreme (3°C) scenario. Within the supply chain the majority of our pet food suppliers are UK based and this remains our strategy.

The impacts of a lower warming scenario (1.5°C) on our transitionary risks are higher as more change and investment are required to enable the temperature increases to be contained at lower levels. Our strategic response is to ensure a smooth transition as we work with our suppliers to decarbonise supply chains and products and as we invest in areas of technological potential to support the long-term transition (such as cultivated meat). Strategic resilience can be ensured through working consistently towards the long-term goals often before our customers are demanding changes to products. We have been investing in our operational decarbonisation for many years, purchasing renewable energy since 2017 and investing in LEDs and buildings' energy management systems. As we make new investments our strategy is to consider how we can do this in a carbon efficient way, for example our new DC in Stafford does not use natural gas and we have invested in solar. panels which were operational from October 2024. We acknowledge that there remains uncertainty on the speed of progress required to meet challenges that will enable Pets to mitigate the transitionary risks. These are not unique to our business which is why we collaborate across our industry and supply chains to accelerate change. For example the decarbonisation of heavy goods vehicles, the adoption of regenerative, more sustainable agricultural practices and robust primary Scope 3 data.

Our emerging risk around declining pet ownership in a warming world is addressed through the goal of the planet pillar of our sustainability strategy which is 'to make pet care environmentally sustainable' and builds resilience through reducing the environmental impact of owning pets and reducing the likelihood of pet ownership as being viewed as a luxury.

We continue to review our strategic approach to ensure it aligns to the prevailing scientific advice and best practice.

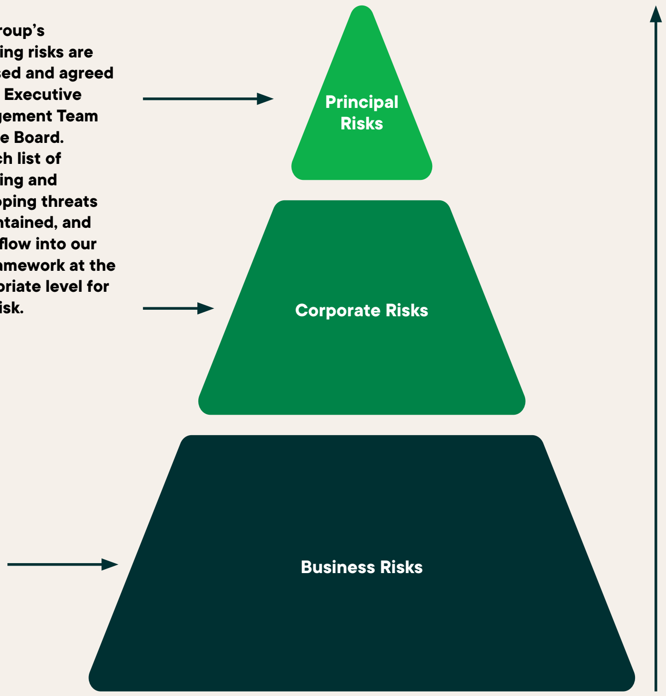
TCFD Statement continued

Risk Management

Disclosure requirement	Description/progress
a) Describe the processes for identifying and assessing climate-related risks.	The initial process for identifying climate risks for TCFD took place through a series of scenario planning workshops. These included detailed horizon scanning briefings and then consideration of the implication through the eyes of the key stakeholders of the business (pet, customer, vet, store manager, supplier) in three different global warming scenarios (see information box 1). This led to the eight high level risks and opportunities to be created. This process and its outcomes were reviewed by the Executive Management Team and the Sustainability Committee. These eight high level risks and opportunities have been refined and consolidated into the three sustainability risks that sit under the principal risk of sustainability and climate change. On an ongoing basis risks are identified through the risk management system. At a business level this happens using the risk champions who include sustainability risks as part of their risk assessment for their respective areas of the business. Additionally the Climate Change and Responsible Products Committees are responsible for identifying climate change risks. On an annual basis overall sustainability materiality assessment is reviewed, and this includes detailed consideration of established and emerging topics. At this annual review the Sustainability Committee also reviews existing and emerging regulatory requirements. On a three yearly basis, next due in FY26, this materiality review becomes a deep dive exercise where external stakeholder feedback is gathered to horizon scan topics and review assessment of importance. These risks are assessed using the corporate standardised risk scoring methodology which includes measurement of likelihood and impact. This produces a gross risk score before mitigating actions. This aids the escalation and consolidation of risks into a corporate view. See the risk framework on page 19 of this Annual Report.
b) Describe the processes for managing climate-related risks.	The climate-related risks are managed using our corporate risk management framework. Each risk has a gross and net score, and a target score where the risk is not within appetite. Mitigating actions are then monitored for expected remediation of the risk and progress towards the target score. This mitigation strategy assigns owners and timescales to each action. Progress against the strategy is updated and reported to the Executive Management Team and the Audit and Risk Committee four times a year. In addition, our climate risks, along with other sustainability risks, are reviewed at each Sustainability Committee meeting. Examples of risk mitigation and management exercised for transition risks include engaging suppliers to commit to having carbon reduction plans in place by 2028.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management.	Chart two demonstrates how Pets at Home's climate-related risks are fully integrated into our overall risk management approach. Climate-related risks are identified, assessed, and managed through the corporate risk management approach which classifies risks as business, corporate or principal risks. Our ability to identify, assess and effectively manage current and emerging risks is critical in ensuring the continued success of our business.

Risk Management Framework

The Group's emerging risks are assessed and agreed by the Executive Management Team and the Board. A watch list of emerging and developing threats is maintained, and these flow into our risk framework at the appropriate level for each risk.



Principal Risks
- Risks that could threaten our business model, future performance, solvency or liquidity.
- Material climate-related risks are captured under the principal risk Climate Change and Sustainability.

Corporate Risks
- Risks that are promoted from a business level risk register as they sit near to or above the appetite level set by the Board.
- Owned by an Executive Director, sustainability corporate risks being owned by the Chief Executive Officer.
- Reported in detail to the Executive Management Team, the Board and Audit and Risk Committee four times a year.

Business Risks
- Risks that are identified and managed at a business unit, strategic project or function level.
- The Sustainability function has its own risk register.
- The Sustainability Director owns and manages climate-related risks and implementation of mitigating actions.
- Grouping of climate-related risks in Group-wide risk management system for reporting to Sustainability Committee.

TCFD Statement continued

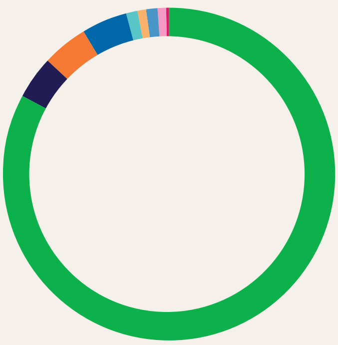
Metrics and targets

Disclosure requirement	Description/progress
a) Disclose the metrics used to assess climate-related risks and opportunities in line with its strategy and risk management process.	We report annually on our progress against our 12 sustainability targets in our standalone Sustainability Report. The five climate- related sustainability targets and metrics are included on page 60 in table 3 in section c). We have considered developing an internal price for carbon for investment appraisals but at the moment this has not been progressed as investments are being successfully assessed using our existing hurdle rates. Our next priority will be to include our carbon footprinting of pet food products into our commercial performance reporting . We are already using this product level data to inform future range developments and reformulations without the need for an internal price for carbon. We will continue to keep a watching brief on the usefulness of the tool of carbon pricing. In terms of our emerging risk 'declining pet ownership in a warming world' we do not measure specific metrics and instead address this risk through: – As part of strategy reviews long-term monitoring of consumer and societal attitudes to pet ownership. – During the year monitoring of consumer and market trends to identify shifts in behaviour to which we can respond
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Pets at Home has measured and disclosed our Scope 1 and 2 CO_2e emissions since FY14. Trend data from FY16 is updated and reported annually and included in table 1. **Scope 1 and 2 emissions and related risks** During the year we have continued to invest in carbon reduction and energy generation initiatives. For example, the installation of solar panels on the roof of our new Distribution Centre in Stafford, and the development of our anaesthetics gas stewardship programme. The benefits of previous decisions and investments continue to positively impact performance such as 88% of miles driven during FY25 were in either electric or hybrid company or temporary hire cars and all our petcare centres are installed with LED lights. Our absolute location-based carbon emissions have reduced year on year by 8.2%. Our intensity-based performance has improved year on year to 15.7 tCO_2e relative to £1,482m Group statutory revenue. A material driver of this improvement is the reconfiguration of our distribution network which has lead to more deliveries being carried out by third party logistics companies which is classified as Scope 3 emissions . Within Scope 1 emissions we have seen reductions across all emission sources with the exception of company cars where emissions have increased by 5%. This is a relatively small source of emissions at 647 tonnes and is 40% lower than our FY20 base year emissions of 1082 tCO_2e. Anaesthetic gas volumes have reduced by 3% year on year and corresponding emissions have reduced by 10% to 2947 CO_2e, a particularly strong performance given the growth of the vet business, benefitting from the growing levels of practice participation in our anaesthesia gas stewardship programme during the year. Our Scope 2 emissions have increased by 2.5% due in part to a colder winter in the UK than the previous year. We continue to purchase renewable energy so our market-based emissions performance remains at 0 tCO_2e. Our performance over the longer term demonstrates the importance of carbon reduction to our business. Since 2016 our sales revenue has grown by 87% and our absolute emissions have reduced by 43.5% as shown in table 1. However, significant on-going reductions in our Scope 1 and 2 emissions are dependant on the continued decarbonisation of the national grid and the adoption of lower impact HGVs enabled by technological advancements and national infrastructural investment. More information on our Scope 1 and 2 programmes can be found from page 6 in the 'planet' section of our standalone Sustainability Report. Deloitte has provided independent limited assurance in accordance with the international Standard for Assurance Engagements 3000 (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) over the Scope 1 and 2 emissions. Deloitte's full unqualified assurance opinion, which included details of the selected metrics assured, can be found from page 50 of the standalone Sustainability Report. The basis of reporting document covering our Scope 1 and 2 emissions and the limited Scope 3 categories that are included in our assurance (colleague travel, third party logistics and electricity transmission and distribution losses) is available on the Pets at Home Group investor website at https://www.petsathomeplc.com/sustainability/documents-policies/documents/.

TCFD Statement continued

Metrics and targets continued

Disclosure requirement	Description/progress
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	**Scope 3 emissions and related risks** We are continuously working on improvements to the accuracy of our Scope 3 footprint. Each year we review the appropriateness of the data sources we use to ensure that our footprint is as accurate as possible. Whilst we are not able to accurately report our Scope 3 emissions for the current year it remains a priority. We also know that we need to focus on accurately reporting on our Scope 3 emission reductions and move beyond industry average factors, working towards this has been our focus during FY25 . Please see the pie chart below for a summary of our total Scope 3 emissions and the breakdown into categories, for the most recently available year of FY24. Overall between base year, FY20 and FY24 our Scope 3 emissions have seen a small increase of 0.2% while our Group statutory revenue have increased by 40% from £1059m to £1480m. The category level breakdown in the pie chart below shows the changes at a category level where we have seen both increases and decreases. This has been mainly driven by improvements in data methodology and emission factor changes. The reasons for the largest variances are summarised below: Category one includes emissions associated with Purchased Goods For Resale, Purchased Goods Not For Resale and Other goods (Vet items). There has been a decrease vs the baseline due to two factors. Firstly the impact of lower PEFCR emission factors (kgCO_2e/kg food), published earlier this year, used to calculate dog and cat food. These lower factors are sufficient to lead to a decrease in Cat 1 emissions, despite an increase in overall cat and dog food tonnage. Secondly, there has also been a decrease in the DEFRA emissions factor (kgCO_2e/£), for prepared animal feeds factor, since the baseline. This factor is used to calculate emissions from all other petfood. Coupled to this, sales of all other petfood (e.g. bird food, fish food, small animal food) was lower in FY24 versus the baseline. Within category twelve, end of life of sold products, a change in methodology has brought in emissions previously excluded. This category now includes end of life treatment of pet accessories which was excluded from the baseline. The assumption then was that pet accessories go on to have a ‘second life’, but this is now considered false. This accounts for >60% of the emissions associated with this category. Category four, upstream transportation, has seen an increase in emissions due to Increased opex expenditure on transportation and distribution in the reporting year (FY24). **Our progress during FY25** Our Scope 3 analysis has enabled us to prioritise our areas of focus in the goods and service category. Our analysis has demonstrated that within this category our most carbon-intensive product area of pet food and product manufacturing impacts have led us to work with the suppliers who constitute the top 80% of our emissions. We are actively working towards an aligned industry approach to measure supplier-specific emissions as this is the most effective way to track emissions reductions within our own supply chain. However, in the absence of a universally recognised approach, we continue to request suppliers to disclose emissions data through the environmental impact disclosure system ‘Manufacture 2030’or to complete our own supplier carbon survey. We are now starting to engage directly with our strategically important suppliers to understand their carbon reduction roadmaps (see Table 3 for our targets and progress). Alongside our in house carbon footprinting of our own brand complete cat and dog foods (see Table 3 for our targets and progress) we are working with the ‘British Retail Consortium Mondra Coalition’, to understand the environmental impact of our emissions at a product and ingredient level across our own brand complete pet food products to accelerate decarbonisation and enable effective business decision-making. This is a pilot initiative involving many stakeholders in the retail industry thereby helping to steer the industry to a consistent approach to Scope 3 data collection. We are the first pet food retailer to be involved in this programme which we believe has potential to enable faster progress through alignment on lifecycle analysis methodologies and data sharing.



Scope 3 Category	Category (Cat) and Description	FY20 (base) tCO_2e	FY24 tCO_2e	% change
1	Cat 1 Purchased goods and services	767,892	710,810	-7%
9	Cat 9 Downstream transportation	33,157	36,131	9%
4	Cat 4 Upstream transportation	19,306	37,138	92%
12	Cat 12 End of life sold products	10,323	40,272	290%
2	Cat 2 Capital goods	2,205	9,124	314%
3	Cat 3 Fuel and energy-related activity	5,231	5,659	8%
7	Cat 7 Employee commuting	5,893	9,729	65%
11	Cat 11 Use of sold products	10,382	7,462	-28%
6	Cat 6 Business travel	1,071	1,240	16%
5	Cat 5 Operational waste	368	374	2%
Total Scope 3 emissions		855,828	857,939	0.2%

TCFD Statement continued

Carbon reporting summary

Table 1: Scope 1 & 2 carbon emissions ten year performance tonnes CO_2e emissions

Tonnes CO_2e emissions

		FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25[1]	FY25 vs FY16
Emissions	Scope 1	9,498	9,619	9,649	8,431	12,085	11,337	12,558	12,115	12,632	10,229	7.7%
	Scope 2 (location based)	31,680	28,840	21,584	17,066	15,133	13,616	12,610	11,980	12,718[2]	13,031	-58.9%
	Total	41,178	38,459	31,233	25,497	27,218	24,953	25,168	24,095	25,350	23,260	-43.5%
	% change		-6.6%	-18.8%	-18.4%	6.8%	-8.3%	0.9%	-4.3%	-3.5%	-8.2%	
Group statutory revenue	£m	793	834	899	961	1,059	1,143	1,318	1,404	1,480[3]	1,482	86.9%
	% change		5.2%	7.8%	6.9%	10.2%	7.9%	15.3%	6.6%	5.4%	0.1%	
	Normalisation/ Intensity	51.9	46.1	35.1	26.5	25.7	21.8	19.1	17.2	17.13	15.7	-69.8%
	% change		-11.2%	-24.7%	-23.6%	-3.1%	-15.1%	-12.5%	-10.1%	-0.5%	-8.2%	

1 Deloitte has provided independent limited assurance in accordance with the international standard for assurance engagements 3000 (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) over Scope 1 and 2 emissions for FY25. Deloitte's full unqualified assurance opinion, which includes details of the selected metrics assured, can be found in the standalone Sustainability Report from page 46.

2 This year we identified a calculation error in our FY24 reported location based Scope 2 CO_2e emissions which have been restated from 10,624 to 12,718 tonnes CO_2e in Table 1, Table 2 and Table 3. Scope 3 Transmission and distribution losses in footnote 2 of Table 2 have been restated from 920 to 1100 t CO_2e.

3 FY24 Group statutory revenue has been restated from £1477m to £1480m and intensity from 17.2 to 17.1. See note 1.26 for an explanation of the restatement of the revenue.

4 Data: Anaesthetics & fugitive emissions are included from year FY20 onwards.

Table 2: Scopes 1, 2 and 3 carbon emissions summary

Metric	Target	FY25 Performance	FY24 Performance	Base year Performance FY20
Scope 1 And 2 GHG Emissions				
Direct emissions from operations (Scope 1) (tonnes CO_2e)	–	10,229	12,632	12,085
Location-based indirect energy emissions from operations (Scope 2) (tonnes CO_2e)	–	13,031	12,718	15,133
Total location-based Scope 1 and 2 emissions (tonnes CO_2e)	42% reduction by 2030 (vs 2019/20 base year)	23,260: 15% reduction against base year	25,350	27,218
Market-based indirect energy emissions from operations (Scope 2) (tonnes CO_2e)[3]	–	-	–	677
Total market-based Scope 1 and 2 emissions (tonnes CO_2e)	–	10,229	12,632	12,762
Total location-based emissions per £m group revenue (tonnes CO_2e per £m group revenue)	–	15.7	17.1[4]	25.7
Scope 1 and Scope 2 kWh		91,241,352[5]	98,269,879	94,638,109
Scope 3 GHG Emissions				
Total Scope 3 GHG emissions (tonnes CO_2e)	42% reduction by 2030 (vs FY20 base year)	n/a (1)	857,939 0.2% increase against FY20 base year	855,828

1 Scope 3 GHG emissions have been updated using FY24 data. An update has not been completed for FY25 as we have focused on data improvements.

2 Scope 3 emissions relating to employee travel, third party logistics and electricity transmission and distribution losses have not been separately stated in our carbon emission summary because they were misinterpreted as representing the full Scope 3 emissions. For transparency the emissions from these sources in FY25 are included here. Employee travel 798 tonnes CO_2e (FY24 726 tCO_2e); third party logistics 5947t CO_2e (FY24 3,955 tCO_2e). Fuel and energy-related activities 6003 tCO_2e of which electricity transmission and distribution losses 1156 tCO_2e (FY24 6341, 1100 CO_2e).

3 Pets at Home operations are UK-based except for an office in Hong Kong. Therefore 15t CO_2e representing less than 0.1% Scope 1 and 2 emissions and kWh usage was from outside of the UK and not included in this reporting.

4 See footnote of Table 1 for assurance statement and restatements for FY24 scope 2 emissions, Group revenue and carbon intensity

5. Excluded from the kWh total in Table 2 is electricity generation via solar at Stafford DC : 219,300 kWh for own use and 15,930 exported to the grid.

TCFD Statement continued

Metrics and Targets

Disclosure requirement	Description/progress
c) Describe the targets used to manage climate-related risks and opportunities and performance against targets.	See Table 3 below

Table 3 Targets and metrics used to manage climate-related risks and opportunities

Sustainability Target area	Metric	Target	Baseline FY20	FY24	FY25
Carbon emissions	Absolute Scope 1 and 2 GHG emissions tCO_2e (location based)	42% reduction in Scope 1 and 2 emissions by 2030 from a 2020 base year -90% reduction in Scope 1 and 2 emissions by 2040 from a 2020 base year	27,218	25,350	23,260
	Absolute scope 3 emissions tCO_2e	42% reduction in scope 3 emissions by 2030 from a 2020 base year -90% reduction in scope 3 emissions by 2040 from a 2020 base year	855,828	857,939	N/A
	% of Group electricity contract renewable	100%	n/a	100%	100%
Pet food carbon foot printing	Number of own brand complete cat and dog food products footprinted	By 2028 100% of priority own brand complete cat and dog food products footprinted		60	250, representing 65%+ of own brand sales
Supplier engagement	Absolute number and % of total retail and vet supplier spend of priority suppliers registered with M2030, with carbon reduction plans in place and in leadership positions	By 2028 all priority suppliers will have carbon reduction plans in place and 50% to have received leadership status	Registered		
			n/a	88 (n/a)	88 (76%)
			Carbon reduction plans in place		
			n/a	14 (n/a)	25 (70%)
			Leadership position (SBTi approved targets)		
			n/a	3 (n/a)	6 (40%)
Deforestation	Direct soy in own brand products sourced to an independent standard	100% by 2028	n/a	65%	69%
	Palm oil in own brand products sourced to an independent standard	100% by 2028	n/a	43%	100%
	Timber in own brand products sourced to an independent standard	100% by 2028	n/a	57%	90%
Biodiversity	Number of acres of woodland restored, protected and created	15,000 acres by 2028 cumulatively	n/a	6,000	8,000

We also identify other opportunities to align our targets to climate reduction goals. For example, our revolving credit facility with HSBC acting as sustainability coordinator, agreed in March 2022, is linked to sustainability targets. One of the three targets is climate related and tracks our carbon emissions intensity (Scope 1 CO_2e emissions and Scope 2 CO_2 location based emissions).

Our Remuneration Policy links an element of Executive remuneration to annual progress across our 12 sustainability targets, effective from FY24. The climate-related targets are included in Table 3 and the Sustainability Report contains more information about the annual milestones.

Looking ahead

Financial quantification work to date has been updated on the areas identified as potentially having the most material impacts. While our quantification disclosure uses the most robust data points that we have, we recognise that the methodology for quantifying risk will continue to develop over time as our data and modelling improves.

Despite our progress there remain challenges that face businesses like ours to the delivery of our emissions reduction targets. For example the development of battery technology and supporting charging infrastructure for heavy goods vehicles, the adoption of regenerative and more sustainable agricultural practices and robust, consistently applied emissions calculations and consumer communication on embedded carbon in products.

Over the next 12 months our priorities are to continue to progress our own programmes and to develop our data which support the delivery and accuracy of our net zero transition plans while also collaborating on systems changes that are outside of our direct control but remain vital to deliver our emissions reduction targets.

Directors Remuneration Report

Remuneration strategy to support long term success.

Roger Burnley
Chair of the Remuneration Committee

1. Introduction

On behalf of the Remuneration Committee, I am pleased to present our Directors' Remuneration Report (DRR) for the financial year ending 27 March 2025. In a challenging year for the business, the Committee has taken care to ensure that its approach to all remuneration matters supports future, long-term success.

Business performance for the year has been delivered in line with profit guidance, against challenging market circumstances, as detailed in the Chair's statement on page 2. Whilst Underlying PBT* of £133.0m (£132.0m in FY24) has been achieved for FY25, the significant cost headwinds on the horizon in FY26, including those which impact labour costs, has sharpened the Committee's focus on ensuring that remuneration across the business is set up in the best way possible to achieve future success, for all stakeholders.

During the year, our share price declined c9.5% from £2.59 to £2.35, underperforming the retail sector by (1.5%) and the wider market by (10.5%). The continuation of the CMA market investigation, subdued and volatile consumer demand, an uncertain economic backdrop and cost headwinds have impacted sentiment. The final dividend was held at 8.3p and we increased our total dividend for FY25 to 13.0p (12.8p in FY24). A £25m share buyback was also undertaken during FY25.

2. Membership and responsibilities

Committee members are independent Non-Executive Directors and members during the year, in addition to the details of their attendance at meetings, are set out on page 34. The Terms of Reference for the Committee can be found at https://www.petsathomeplc.com/investors/corporate-governance/remuneration-committee/.
The Remuneration policy approved at the 2023 AGM (Policy) has remained in force during the year and can be viewed at https://www.petsathomeplc.com/media/4ufhixlm/annual-report-2023.pdf. As the Committee starts the year, the Policy review process is firmly in mind to ensure that all options are fully considered to set the business up for future success. The new Remuneration policy will be put to shareholders for approval at the 2026 AGM.

3. What we did during the year

3.1 Our Colleagues

We continue to invest in our total reward proposition to attract and retain talent in highly competitive retail and veterinary service markets.

Investment in Base Pay

In March 2025, the business opened a consultation with around 2,500 store colleagues on proposals to reshape the instore management structure of the retail business. The business has grown significantly over time, and the goal was to create a simpler and more efficient retail business, with less complexity and a more transparent structure. Colleagues will have more clearly defined roles and responsibilities, access to the best training and tools they need to set them up for success and pay levels that are fair and consistent across roles in store. Throughout the consultation process, the business was guided by the core principle of protecting colleague jobs and always putting pets first.

Alongside the proposed changes the business committed to continuing to invest in both base pay and training, with an investment of £6.5m into pay across almost 7,000 retail colleagues and £2m into new and bespoke training, reflecting that the commitment to upskilling and progression is not changing.

- The average increase in base pay for colleagues, including promotions, was 5.1% across the UK workforce in FY25. In March 2024, we increased our hourly store and grooming pay rates to a starting rate of £11.44 (7.9% vs March 2023). Colleagues were able to earn the Real Living Wage (RLW) upon completion of their Pet Expert training.
- Within the Support Office, the decision was made to align the pay review with the rest of the business and undertake the review in April, instead of October each year. Therefore, no blanket pay review for Support Office colleagues was carried out in October 2024, although some colleagues received an exceptional pay review where salaries were significantly out of line with benchmarks. The average base pay increase for Support Office colleagues was 3.6% in FY25.

Colleague Share Ownership

- We continued our investment in colleague share ownership awarding over 10,000 colleagues an award of free shares (the restricted stock plan (RSP)) in FY25 and we continued to offer our Sharesave (SAYE) scheme at a 20% discounted option price, following re-approval of the SAYE scheme by the Board in September 2024.
- Over 5,000 colleagues received access to awards which vested under our 2021 RSP.
- The 2021 SAYE scheme also matured but was unfortunately under water.

Pension

- No changes were made to our colleague pension contribution rates in FY25.

Bonus

- Due to the financial performance of the business in FY25 as noted previously, no bonus is being paid to colleagues for FY25.

Financial Support

- We awarded over £50,115 in tax-free grants through our Colleague Hardship Fund to support those colleagues experiencing a period of unexpected financial difficulty.

Well-being

- We continue to prioritise and promote colleague well-being alongside our strong partnerships with both the Retail Trust and Vet Life.
- In addition, across FY25 171 colleagues completed their Mental Health First Aid training, with 208 colleagues also completing a refresher course.

Directors Remuneration Report continued

Colleague Recognition and Engagement

- Peer-to-Peer recognition is encouraged for colleagues who live the Pets at Home values through their work. During FY25, over £26,200 has been given to colleagues through the 'Colleague of the Month' and 'Team of the Quarter' initiatives, as well as over 3,500 e-cards.
- Instant award vouchers totalling over £150,000 were given to colleagues in recognition of their work to spend on Your Reward Hub. Your Reward Hub hosts a wealth of information about the different benefits which are offered as part of colleagues' total reward package. In FY25, colleagues saved over £160,000 on their everyday online and instore shopping through vouchers and savings on Your Reward Hub. We also continued to offer our colleague discount of 20% off all products online and instore and 30% off our own branded products instore.

3.2 Executive Remuneration

In light of the context set out above, the Committee made the following decisions in respect of Executive remuneration during FY25.

Base Salary

- In line with the Support Office pay review outlined above, the pay review dates for the CEO and CFO were moved from October to April each year. Neither the CEO nor the CFO received a pay increase in FY25. In addition, no changes were made to the Non-Executive Director fees during FY25.

Pension

- There were no changes to the pension contribution rates in FY25. Executive Directors already receive a pension contribution capped at the Company contribution rate provided to the majority of colleagues in the Support Office functions. Currently this is up to 6.5% of base salary and consistent with rates at other retailers.

Bonus

- The Executive Directors were assessed against Underlying PBT (65%), Normalised Pre Tax Free Cash Flow (25%) and Sustainability (10%) comprising of 12 defined measures plus the completion of a Better World Pledge Day and mandatory training. Formulaic targets were set in May 2024 against a budget that was agreed to be ambitious and stretching. In light of the business context set out above, the Committee carefully considered and determined that the formulaic outcomes were as set out immediately below:
  - In light of having fallen short of our Underlying PBT and Normalised Pre Tax Free Cash Flow targets, the Committee made the decision that no Executive Director would be paid a bonus in respect of FY25.
  - The Underlying PBT target range was set between £138.0m and £150.0m. The Underlying PBT was £133.0m, meaning that the minimum Trigger 1 bonus had not been met and therefore no bonus is payable.
  - The Normalised Pre Tax Free Cash Flow target range was set between £124.2m and £134.2m and the actual Normalised Pre Tax Free Cash Flow was £115.5m resulting in the minimum target not being met.
  - Across the 12 sustainability targets, 7 of these were achieved. However, the financial triggers above, needed to be achieved for the sustainability element to be payable. Therefore no bonus would be paid.

RSP

- Both the CEO and CFO were awarded options under the 2022 RSP. At the time the 2022 awards were granted, the Policy specified that vesting of the 2022 RSP award for Executive Directors was subject to a TSR financial underpin. For RSP awards granted in 2023 onwards, the TSR underpin was replaced by a discretionary and holistic underpin which allows the Committee to determine the vesting outcome based on the holistic performance of the business and the Executive Directors. As detailed in the FY24 report, the Committee applied upward discretion to the CFO's 2021 RSP award for the reasons previously disclosed in the 2024 Annual Report. The Committee agreed that the holistic underpin would be applied to both Executive Directors' 2022 RSP awards and agreed that this would be a fair approach, given the 6 month pay review deferral. It would also bring the 2022 RSP in line with the current Policy. The Committee approved the vest of the 2022 RSP awards for both Executive Directors and considered the matters noted on page 64 in assessing whether the holistic underpin had been achieved.

4. Executive Remuneration in respect of FY26

Base salary

With the shift in annual pay review dates to April each year, in March 2025, the Committee approved an annual pay review of 1.5% for each of the CEO and the CFO, effective from the start of FY26. The wider workforce pay review is 4%. The Committee also agreed that the Non-Executive Director fees would be increased by 1.5% for FY26.

Pension

No changes to the pension scheme are proposed for the Executive Directors in FY26.

Bonus

The maximum bonus opportunity for the Executive Directors in FY26 shall continue at 170% for CEO and 150% for the CFO. Further details relating to the bonus design are set out in the Statement of Implementation on page 69.

RSP

Share awards granted during FY26 will continue to be set in line with the Policy with a maximum grant value of 100% of base salary for the CEO and 75% of base salary for the CFO. These will continue to vest subject to a discretionary and holistic underpin which will take into account factors including overall financial performance, the shareholder experience, performance against strategy and other factors. The plans include a three-year vesting schedule and two-year post-vesting holding period as set out in the Policy.

5. Closing Remarks

As we look to FY26, the Committee will continue to focus on ensuring that reward across the business is structured in a way to support its long term success, whilst being cognisant of the environment we are currently operating in. Work is underway to formalise the reward strategy and a full review of the benefits package available to colleagues, in conjunction with consultancy Fit Rem, is also taking place. We carried out a colleague survey to gain views and insights on the current benefits package to help shape thinking. Our aim is to ensure that the remuneration package for colleagues represents what colleagues truly value. We will also start our Policy review during FY26, taking into account all aspects of the current Policy, to ensure any necessary changes are fully considered and consulted on, prior to approval at the 2026 AGM.

We hope that you find this report helpful and welcome any feedback. We look forward to your support of the resolution for approval by advisory vote for our Directors' Remuneration Report at our AGM on 10 July 2025.

Roger Burnley
Chair of the Remuneration Committee
28 May 2025

Annual report on remuneration

a) Directors' remuneration – report on implementation for the year ended 27 March 2025

This section of the report sets out how the Policy has been applied in the financial year being reported on.

The information presented from this section up until the relevant note on page 65 represents the audited section of this report.

b) Single total figure of remuneration for Executive Directors for the year ended 27 March 2025

The following table sets out the total remuneration for Executive Directors for the year ended 27 March 2025. All payments are in line with the Policy.

Director	Base salary (£)	Benefits (£)	Pension (£)	Total fixed pay (£)	Annual bonus (£)	Long-term incentives (£)	Total variable pay (£)	Total[1] (£)
FY25								
Lyssa McGowan	**630,315**	**773**	**40,971**	**672,059**	**–**	**376,174[3]**	**376,174**	**1,048,233**
Mike Iddon	**439,202**	**12,273**	**28,548**	**480,023**	**–**	**199,437[3]**	**199,437**	**679,461**
FY24								
Lyssa McGowan	611,844	644	39,610	652,098	–	–	–	652,098
Mike Iddon	430,062	12,144	27,954	470,160	–	177,912[2]	177,912	648,072

1 Base salary, benefits and pension contributions have been calculated using actual amounts received during the financial year.
2 The 2021 RSP, vested in June 2024 for the CFO following the Committee decision to exercise discretion despite the absolute underpin not being achieved. The figure in the table above is based on the share options granted multiplied by the share price at time of vest of £2.912.
3 The 2022 RSP will vest in May 2025 for the Executive Directors following the Committee assessment of the discretionary underpin applicable to the plan and vesting being based on holistic performance. The figure in the table above is based on the share options granted multiplied by £2.2376, being the average market value over the last quarter of FY25.

Base salary:

The gross taxable amount received during the relevant financial year excluding payments in lieu of pension (see below).

Benefits:

The gross taxable value of benefits received during the relevant financial year and principally includes company car (or cash equivalent) and Private Healthcare Insurance (PHI) where applicable.

Pension:

The amount of pension contributed by the Company including the gross cash value of any payment in lieu of pension received during FY25.

Executive Directors received a Company pension contribution worth a maximum of 6.5% of their base salary, in line with the majority of Support Office colleagues as required by Provision 38 of the Code. A taxable cash payment in lieu of pension contribution was paid if the Executive Director reached the annual pension allowance.

Annual bonus:

The amount earned in respect of the relevant financial year.

Long-term incentives:

The amount earned by the Executive Directors in respect of the relevant financial year. Details of how this was calculated are set out in the footnotes above.

Annual bonus:

In FY25, an annual bonus was available to Executive Directors subject to meeting defined criteria including Underlying PBT (65%), Normalised Pre Tax Free Cash Flow (25%), defined sustainability measures (10%) and a mandatory sustainability bonus underpin which required each Executive Director to complete a Better World Pledge Day (BWPD). All Support Office colleagues, and Store Managers are also required to complete a BWPD as part of their objectives for achieving a bonus. The BWPDs provide value and non-financial support to a range of different charities, in addition to the financial support already provided. Colleagues have supported a range of planet, pet and people-focused charities.

The maximum bonus opportunity in respect of FY25 for the CEO was 170% of base salary and 150% of base salary for the CFO.

The Executive Directors were assessed against the above Underlying PBT, Normalised Pre Tax Free Cash Flow and Sustainability targets. Underlying PBT for the 52 week period ended 27 March 2025 was £133.0m and the Committee determined that the formulaic outcome required for the minimum Trigger 1 bonus had not been met. Normalised Pre Tax Free Cash Flow was £115.5m, which fell below the minimum target. The Company achieved 7 out of a possible 12 sustainability targets, however, the payment of the sustainability element of the bonus in FY25 required the financial targets above to also have been met.

Annual report on remuneration continued

The table below shows the targets set and the achieved pay out levels for Executive Directors:

	Target			Achieved	
Performance Measures	% Weighting	Minimum	Maximum	Total	%
Underlying PBT (£)	65	£138.0m	£150.0m	£133.0m	0.0
Normalised Pre Tax Free Cash Flow (£)	25	£124.2m	£134.2m	£115.5m	0.0
Sustainability Objectives	10	1	12	7	0.0
Total	**100**				**0.0**

The minimum target is set at Trigger 1 (threshold, 20% achievement) and the maximum target at Trigger 5 (100% achievement), with staged increments on a straight line basis at Trigger levels 2, 3 and 4 in between.

In order to achieve full pay-out, the Committee had set ambitious and stretching targets that required the individuals to deliver performance which significantly exceeded business expectations.

The Committee considered whether the bonus target for Underlying PBT had been reached at the minimum threshold. In the light of the business performance as set out above and in the Chair's letter on pages 61 to 62, the Committee was comfortable that the formulaic outturn for Underlying PBT and Normalised Pre Tax Free Cash Flow was appropriate. No adjustments were therefore made to the formulaic bonus targets and consequently, the bonus outturn in relation to FY25, will be nil for both Executive Directors and any colleagues in the bonus scheme.

Long-term incentive plans (LTIP)

2021 RSP award:

As the CEO was appointed in June 2022, they did not receive a 2021 RSP award. In accordance with policy at the time, vesting of the 2021 RSP award for Executive Directors was subject to a TSR financial underpin which was replaced for RSP awards made in 2023 onwards with a discretionary underpin that allows the Committee to determine the vesting outcome taking account of the holistic performance of the business and the Executive Director. As the TSR financial underpin for the 2021 RSP award had not been met, the 2021 RSP award made to the CFO would ordinarily have lapsed. For the reasons noted in the 2024 Annual Report, the Committee concluded in FY24 that the formulaic outcome was not a fair reflection of the CFO's contribution and performance over the vesting period and consequently decided to exercise its discretion to vest the 2021 RSP award granted to the CFO, the shares of which will remain subject to a two year post vesting holding period.

2022 RSP award:

Awards granted under the 2022 RSP to both Executive Directors will vest in May 2025. The awards were granted in accordance with the policy in place at this time, which included a TSR financial underpin. As the current Policy replaced the TSR underpin with a holistic underpin, the Committee exercised discretion to bring the vesting assessment of the 2022 RSP award in line with the Policy and therefore to vest the 2022 RSP awards for both Executive Directors. In assessing whether the holistic underpin had been achieved, the Committee considered overall financial performance, the shareholder experience, performance against strategic imperatives and any serious reputational damage. After careful consideration of the performance of the business over the award's vesting period (including PBT, revenue, dividend per share/buybacks, and strategic developments such as the transformation of the distribution network and transition to the Pet Care Platform), the Committee concluded that the underpin had been achieved and that it was appropriate for the award to vest. The shares will remain subject to a two year post vest holding period.

c) Total Single Figure Remuneration (TSFR) for Non-Executive Directors for the year ended 27 March 2025

The following table sets out the TSFR for Non-Executive Directors and the Chair of the Board for the year ended 27 March 2025.

Director	Basic fees (£)	Additional fees (£)	Remuneration Committee Chair fee (£)	Audit and Risk Committee Chair fee (£)	Sustainability Committee Chair fee (£)	Colleague Engagement NED fee (£)	Total Single Figure FY25 (£)	Total Single Figure FY24 (£)
Ian Burke	220,700	–	–	–	–	–	220,700	216,085
Zarin Patel	55,200	10,000[1]	–	11,100	–	–	76,300	74,860
Roger Burnley	55,200	–	11,100	–	–	–	66,300	54,885
Natalie-Jane Macdonald	55,200	–	–	–	–	11,100	66,300	49,895
Garret Turley[2]	39,277	–	–	–	7,898	–	47,175	–
Susan Dawson[3]	15,923	–	–	–	3,202	–	19,125	74,835
Angelique Augereau[3]	45,009	–	–	–	–	–	45,009	10,403

Note: Fees in the above table have been pro-rated for appointments which have covered a proportion of the financial year.
1 The additional fee paid to Zarin Patel is in respect of her position as Senior Independent Director.
2 Garret Turley joined as Non-Executive Director in July 2024.
3 Susan Dawson and Angelique Augereau stepped down from the Board in July 2024 and January 2025 respectively.

Annual report on remuneration continued

d) Scheme interests awarded during the financial year

In FY25 Executive Directors received RSP awards in line with the Policy as follows:

Executive Director	Date of award	Number of shares awarded under the RSP	Grant price of RSP awards	% of salary for total awards	Performance period end date
Lyssa McGowan	14 June 2024	216,305	Nil cost awards	100%	25 March 2027
Mike Iddon	14 June 2024	113,041	Nil cost awards	75%	25 March 2027

All awards are made as performance shares based on a percentage of salary and the value is divided by the closing share price on 13 June 2024, being £2.914.

The awards were made subject to the satisfaction of the achievement of a holistic and discretionary underpin which will allow the Committee to take share price performance into account in addition to business, individual and wider Company performance during the vesting period. In accordance with the Policy, 100% of the award will vest on the third anniversary of grant, subject to the achievement of the underpin and continued employment at that date, followed by a two-year post vest holding period until the fifth anniversary of grant. If the vested award is exercised during this two-year period, the net number of shares acquired (after taxes and transaction fees have been settled) must continue to be held (and cannot be sold) until the fifth anniversary of grant.

e) Payments for loss of office

No payments for loss of office were made during the financial year.

f) Payments to past Directors

No payments were made to past Directors during the year.

g) Statement of Directors' shareholding and share interests

The Committee believes that colleague share ownership is an important means to support long-term commitment to the Company and the alignment of colleague interests with those of shareholders. Executive Directors are subject to a shareholding requirement of 200% of base salary, which should be built up over a period of five years. Under the Policy applicable during FY25, Executive Directors have been subject to a post cessation shareholding requirement of 200% of salary for one year and 100% of salary for two years. The Committee reviews share ownership levels annually. Current shareholding levels for Directors are set out in the table below:

		Number of shares			
Director	Shareholding as a % of salary	Shares owned outright at 27 March 2025	Interests in share incentive schemes, awarded without performance conditions at 27 March 2025	Interests in share incentive schemes, awarded subject to performance conditions at 27 March 2025	Shares owned outright as 28 March 2024
Lyssa McGowan	28%	74,619	70,054	552,195	32,325
Mike Iddon	273%	509,634	49,233	291,120	429,695
Ian Burke	–	47,900	–	–	47,900
Zarin Patel	–	30,000	–	–	30,000
Roger Burnley	–	–	–	–	–
Natalie Jane Macdonald	–	–	–	–	–
Garret Turley	–	21,349	–	–	–

There have been no changes to the shareholdings noted above between 27 March 2025 and 22 May 2025. Shareholding as a % of salary has been calculated using the closing share price at year end (27 March 2025) of £2.35.

This represents the end of the audited section of the report.

Annual report on remuneration continued

h) TSR performance chart

The Company's shares were admitted to the premium listing segment of the Official List maintained by the UK Financial Conduct Authority and to trading on the London Stock Exchange plc's main market for listed securities on 17 March 2014. The chart below shows performance for the past ten years date until the end of FY25. The FTSE 250 and FTSE 350 General Retailers indexes include Pets at Home.

CEO		FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25[1]
CEO total single figure remuneration (£)	LM	–	–	–	–	–	–	–	–	1,237,366	652,098	1,048,233
	PP[2]	–	–	–	–	930,298	1,599,710[3]	2,140,916	1,831,435	101,135	–	-
	IK[4]	–	–	662,087	575,953	122,037	–	–	–	–	–	-
	NW[5]	790,461	962,224[6]	129,696	–	–	–	–	–	–	–	-
Annual bonus pay-out (as % of maximum opportunity)	LM	–	–	–	–	–	–	–	–	71.7[7]	–	-
	PP	–	–	–	–	75.8	100.0	100.0	90.4	–	–	-
	IK	–	–	20.4	–[8]	–	–	–	–	–	–	-
	NW	75.0	60.0	–	–	–	–	–	–	–	–	-
Long-term incentive vesting (as % of maximum opportunity)	LM	–	–	–	–	–	–	–	–	–	–	100.0
	PP	–	–	–	–	16.8	100.0	100.0	100.0	–	–	-
	IK	–	–	16.8[9]	–	–	–	–	–	–	–	-
	NW	–	96.0[6]	–	–	–	–	–	–	–	–	-

LM – Lyssa McGowan PP – Peter Pritchard IK – Ian Kellett NW – Nick Wood

1 In FY25, the single figure of remuneration related to the period of 29 March 2024 to 27 March 2025.
2 Peter Pritchard was appointed on 27 April 2018 therefore his single figure remuneration as CEO for 2018/19 reflects this partial year of service in role. His FY20 single figure includes the full value of his total 2017 RSP award which vested on a phased basis in line with the Policy, 50% in July 2020, and 25% in each of years four and five. The true value will vary due to the phased release over the three years and was subject to the share price at the time. Peter's FY21 single figure includes the full value of his total 2018 RSP award which vested on a phased basis, 50% May 2021, 15% May 2022 and 25% May 2023.
3 The FY20 single figure has been adjusted since the FY20 Annual Report was issued to include the 2017 RSP award which vested based on the performance period of FY20 as opposed to the grant awarded in FY20 as previously disclosed.
4 Ian Kellett was appointed on 4 April 2016 and stepped down from his role on 27 April 2018 before leaving the Group effective 31 May 2018.
5 Nick Wood resigned as an Executive Director on 4 April 2016, however, he continued in the business until 1 July 2016. His payment in FY17 relates to the period from 1 April 2016 to 1 July 2016.
6 Under the early leaver provisions of the plan rules, Nick Wood received 19.2% of his total Matching Award under the Co-Investment Plan, as shown in the single figure table. Given that this included time pro rating, with performance against the performance conditions being at 96% of maximum, the latter is shown here with the value of £198,168 of the Matching Awards.
7 Lyssa McGowan's bonus outturn was prorated by length of employment, therefore the bonus outturn of 75.9% was reduced to reflect her time in employment during the FY24 bonus year.
8 Ian Kellett waived his bonus for FY18.
9 Shares were awarded on 17 March 2014 under the Co-Investment Plan. Based on performance in the period March 2014 to March 2017 the performance conditions for these shares were measured in 2017 and the Committee determined that 16.8% of the awards would vest. The vested award became exercisable in equal tranches, subject to continued employment, between May 2017 and March 2019.

Annual report on remuneration continued

i) Percentage change in Executive Directors' remuneration

The table below sets out the increase in total remuneration of Directors and that of all colleagues for FY25.

	FY24-25			FY23-24			FY22-23			FY21-22			FY20-21			FY19-20		
	% Change in base salary	% Change in bonus earned	% Change in benefits	% Change in base salary	% Change in bonus earned	% Change in benefits	% Change in base salary	% Change in bonus earned	% Change in benefits	% Change in base salary	% Change in bonus earned	% Change in benefits	% Change in base salary	% Change in bonus earned	% Change in benefits	% Change in base salary	% Change in bonus earned	% Change in benefits
Lyssa McGowan	0	0	0	5	-100	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mike Iddon	0	0	0	3.5	-100	0	3.5	-10.3	-17.2	10.8	44.7	0	2.6	1.2	0	2	20	0
Ian Burke	0	n/a	n/a	3.5	n/a	n/a	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Zarin Patel	0	n/a	n/a	19.3	n/a	n/a	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Roger Burnley	0	n/a	n/a	24.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Natalie-Jane Macdonald	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Garret Turley	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Susan Dawson	0	n/a	n/a	3.7	n/a	n/a	0	n/a	n/a	0	n/a	n/a	0	n/a	n/a	0	n/a	n/a
Angelique Augereau	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
All Colleagues	**5.10%**	**-100%**	**None**	**8.80%**	**-78%**	**None**	**9.40%**	**17.20%**	**None**	**7.30%**	**-5.70%**	**None**	**4.83%**	**4.70%**	**None**	**2.78%**	**27.38%**	**None**

1 Garret Turley was appointed during FY25 and therefore no annual change is shown.
2 Susan Dawson and Angelique Augereau stepped down from the Board during FY25 and therefore no annual change is shown.
3 All colleague information is presented by comparing the average annual bonus paid in FY24 to the average annual bonus paid in FY25 and includes all colleagues who started throughout FY25.

j) Relative importance of the spend on pay

The following table shows the relationship between Underlying PBT, distributions to shareholders and the total remuneration paid to all colleagues.

	FY25 £m	FY24 £m	FY23 £m	FY22 £m	FY21 £m	FY20 £m	FY19 £m	FY18 £m
Underlying PBT	133.0	132.0	136.4	130.1	87.5	93.5	89.7	84.5
Returned to shareholders:								
Dividend (-1.6%)	59.7	60.7	58.7	48.5	37.1	37.1	37.2	37.3
Share Buyback (-50.1%)	25.1	50.3	50.3	–	–	–	–	–
Payments to colleagues:								
Wages and salaries	288.1	282.9	261.9	235.2	227.6	203.1	187.8	181.0
% Change FY24-25	**1.8%**							

k) Our CEO pay ratio

This is our sixth year reporting our CEO pay ratio in line with the Code requirements. The table below sets out the single figure total remuneration of the CEO compared to the median, lower quartile and upper quartile of the colleague population. Remuneration is calculated on the same basis under Option A of the Companies (Miscellaneous Reporting) Regulations 2018 (the Regulations). The ratio when calculated as required by the regulations can vary substantially from year to year as the CEO total remuneration is more heavily weighted towards variable pay elements. In particular, this year the CEO total remuneration figure reflects the first vesting of an RSP award to the CEO since she joined the business in 2022. For this reason, we continue to include a base pay comparison which we believe will be a more consistent approach year on year.

Annual report on remuneration continued

			Ratio		
		CEO	**25th percentile**	**Median**	**75th percentile**
FY25 (Option A)[1]	Base Pay £ (FTE)	630,315	28:1	23:1	18:1
	Total Single Figure Remuneration £	1,048,233	45:1	37:1	28:1
FY24 (Option A)	Base Pay £ (FTE)	611,844	28:1	24:1	18:1
	Total Single Figure Remuneration £	652,098	29:1	24:1	18:1
FY23 (Option A)	Base Pay £ (FTE)	584,208	27:1	23:1	17:1
	Total Single Figure Remuneration £	1,338,502	59:1	50:1	38:1
FY22 (Option A)	Base Pay £ (FTE)	550,000	28:1	23:1	17:1
	Total Single Figure Remuneration £	1,831,435	88:1	72:1	52:1
FY21 (Option A)	Base Pay £ (FTE)	514,703	26:1	22:1	17:1
	Total Single Figure Remuneration £	2,140,916	106:1	88:1	69:1
FY20 (Option A)	Base Pay £ (FTE)	504,084	30:1	27:1	23:1
	Total Single Figure Remuneration £	1,599,710	90:1	78:1	59:1

Note: Ratios rounded to the nearest whole number.

1 The FY25 Total Single Figure Remuneration (TSFR) value has been calculated using the data required by the Regulations. For the FY25 TSFR, base pay references the CEO's base pay for the full financial period yet she had no share plans which vested in FY25.

2 Colleague figures in the tables above and below are based on colleagues as at 27 March 2025.

The following table provides base salary and total remuneration information in respect of the 25th, 50th and 75th percentile colleagues, on a full-time equivalent basis

Year		**CEO**	**25th**	**50th**	**75th**
FY25	Base Pay (FTE)	630,315	22,732	27,210	35,251
	Total Single Figure Remuneration £	1,048,233	23,498	28,204	36,967

l) Consideration of wider colleague pay

Our culture and colleague engagement

Pets at Home's unique culture and high levels of colleague engagement continue to be a key differentiator in attracting talent to our Group. Our colleague listening sessions across all of our divisions and the colleague wide benefit survey, ensure that our colleagues can express their opinions. The sessions allow us to gauge colleagues' views on team morale, leadership and what is important to them as individuals to enable them to perform at an optimum and enjoy their working experience at Pets At Home. Further details relating to the Board's activities regarding monitoring culture are included on page 9.

Colleague share ownership

It is pleasing that this pillar of our engagement strategy continues to come to fruition with our fifth RSP award (2021) vesting in May 2024. The RSPs were offered to both salaried and hourly colleagues at all levels which resulted in enhancing shareholdings or creating new shareholders in over 5,000 of our colleagues. The next RSP awards will vest in May 2025 which will further enhance or create new shareholdings for over 5,500 colleagues. We also granted a further £6.1m shares to over 10,000 colleagues via the RSP in June 2024 which will vest in 2027. Our 2021 SAYE scheme matured on 1 December 2024 but was unfortunately under water.

The Executive Management Team and Board will continue to actively encourage engagement with our share plans to ensure they are valued by colleagues and are driving performance in the right way. We granted a further offering of the SAYE scheme in December 2024, with a take up of 10.28%.

Gender Pay Gap report

We published our most recent Gender Pay Gap report in April 2025. We are encouraged by our ongoing progress and the steps made to close the gender pay gap and remove structural barriers, particularly in narrowing our median pay gap (down to 8.7% from 9.5% the previous year) and the significant proportion of women earning promotions in our distribution centre (24%) – a traditionally male dominated area of the business. For further details, the Gender Pay Gap report can be found at: https://www.petsathomeplc.com/sustainability/documents-policies/documents/

The FTSE Women Leaders Review again recognised our high representation of women at executive level and although our ranking lowered this year to 6th in the retail sector, we maintained a strong position.

m) Non-Executive Directors – letters of appointment

Details of the Non-Executive Directors' letters of appointment are contained in the Policy and can be viewed at https://www.petsathomeplc.com/media/4ufhixlm/annual-report-2023.pdf.

Annual report on remuneration continued

Statement of implementation for FY26

This section provides an overview of how the Committee is proposing to implement our Policy in FY26.

Base salary

The date for the pay review for the Executive Directors was aligned to the review date for all colleagues in April this year and the Committee approved an annual pay review of 1.5% for each of the CEO and the CFO, effective from the start of FY26. The wider workforce pay review was 4%.

When reviewing the Executive Directors' base pay, the Committee will continue to benchmark against relative market comparisons to ensure that the package is considered competitive and does not pose a risk to retention and succession planning, whilst at the same time taking into consideration the salary increase to the broader colleague population and external impacts on the business. The Committee may over time approve salary increases that are ahead of the wider colleague population, if this is indicated by a significant gap in market benchmark.

Benefits

The Committee sets benefits in line with the Policy and there are no proposed changes to the benefits policy for FY26 other than anticipated standard inflationary increases on premiums.

Pensions

Executive Directors already receive a Company pension contribution capped at the rate provided to colleagues in Support Office functions.

Currently this is up to 6.5% of base salary and consistent with pension contribution rates paid by other retailers. The Company continues to actively review the employer contribution rate to the tier two pension scheme members which includes our retail hourly paid colleagues.

Annual bonus

The maximum annual bonus opportunity for Executive Directors in respect of FY26 will continue at 170% for the CEO and to 150% for the CFO. A third of bonus will be awarded in shares in line with the Bonus Deferral Policy. The shares will not be released until a two-year holding period is complete. This will continue to remain in place in FY26. We believe this will support in maintaining the alignment of executive and shareholder interests.

For FY26, the bonus will be based on Underlying PBT with targets split equally between the Vet and Retail divisions. Although the Committee consider Normalised Pre Tax Free Cash Flow and sustainability to remain important, the Committee considers it appropriate that for FY26, Executive Directors and other colleagues have a simple set of targets which encourage them to maximise shared resources, work together to drive overall performance and to have a metric that colleagues can contribute to directly. The targets are considered commercially sensitive and will be disclosed in the FY26 Annual Report.

As with previous years, the Committee retains discretion to determine the annual bonus outcome to ensure the formulaic outcome is a fair reflection of underlying performance and the broader stakeholder experience. Any annual bonus paid is also subject to malus and clawback provisions which provides the Committee with the ability to take back amounts previously paid out for a period of up to two years under certain circumstances, including misstatement and misconduct.

Long-term incentive awards

It is proposed that awards under the RSP will be made in FY26 following the preliminary results announcement at 100% of salary for the CEO and 75% of salary for the CFO in line with the Policy and subject to a judgement-based underpin which will allow the Committee to take share price performance into account in addition to business, individual and wider Company performance during the vesting period. The three-year vesting schedule and two-year post-vest holding period will apply to these awards.

SAYE

The Company will consider the continued operation of the SAYE scheme in FY26, as part of the benefit and reward review work being undertaken.

Non-Executive Director remuneration

The fees paid to the Non-Executive Directors will continue to be reviewed in line with the annual pay reviews for all other colleagues in April each financial year and benchmarked against relative market comparisons to see whether there have been any changes in the market and to establish if the fees need a further adjustment. The NED fees were increased by 1.5% with effect from 28 March 2025, to ensure that this fee does not fall behind market benchmarks.

The table below shows the Non-Executive Director fee structure for FY26:

	FY26 £
Chair (all inclusive fee)	224,011
Basic Non-Executive Director Fee	56,028
Senior Independent Director Fee	10,150
Board Committee Chair Fee	11,267
NED responsible for colleague engagement fee	11,267

There are no fees paid for membership of Board Committees.

Remuneration Committee

Shareholder context for the Committee's activities

During the year, the Committee received independent advice on executive remuneration matters from WTW. WTW is a member of the Remuneration Consultants Group (RCG) and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. The Committee has reviewed the advice provided by WTW during the year and is comfortable that it has been objective and independent. Total fees received by WTW in relation to the remuneration advice provided to the Committee during FY25 amounted to £107,038.70 (FY24: £93,770) based on the required time commitment.

During FY25 the Committee also received support from Travers Smith LLP on the terms of the discretionary and all-colleague share plans.

Annual report on remuneration continued

Committee membership and meetings

The Directors listed below in the table served on the Committee during the year. The Committee met four times during FY25, plus additional ad hoc calls, and the Committee members' attendance is also shown in the table below:

Member	Period from	Period to	Meetings attended
Roger Burnley	29 March 2024	27 March 2025	4/4
Zarin Patel	29 March 2024	27 March 2025	4/4
Angelique Augereau	11 July 2024	20 January 2025	1/1
Natalie-Jane Macdonald	24 January 2025	27 March 2025	2/2
Susan Dawson	29 March 2024	11 July 2024	1/1

The individuals listed in the table below, none of whom were Committee members, attended at least part of a meeting by invitation during the year.

Attendee	Position
Lyssa McGowan	CEO
Mike Iddon	CFO
Lucy Williams	Chief People and Legal Officer
Matthew Corr	Head of Reward
Lesley Lazenby	Company Secretary
Alex Chesworth	Head of Legal Vets & Deputy Company Secretary
Ian Burke	Chair of the Board
Garret Turley	Non-Executive Director
Adam Wyman	Travers Smith LLP
Alex Little	WTW
Paul Townsend	WTW

None of the individuals were involved in making decisions at meetings regarding their own compensation.

Governance

The Board and the Committee consider that, throughout FY25 and up to the date of this report, the Company has complied with the provisions of the UK Corporate Governance Code relating to Directors' remuneration.

Shareholder voting

At the Annual General Meeting on 11 July 2024, the total number of shares in issue with voting rights was 467,420,023. The resolution to approve the DRR received the following votes from shareholders:

To approve the Directors' Remuneration Report for the year ended 28 March 2024 and 2023 Remuneration Policy	2023 Policy Votes	FY24 DRR Votes
Votes for[1]	327,218,238	331,100,225
%[2]	90.17%	94.69%
Votes against	35,658,683	18,561,019
%	9.83%	5.31%
Votes total	362,876,921	349,661,244
% of issued share capital[3]	75.18%	74.81%
Votes withheld[4]	23,804	69,971

1 Votes 'for' include discretionary votes.
2 Percentages above are rounded to two decimal places.
3 Issued share capital at meeting date: 467,420,023.
4 A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes 'for' and 'against' a resolution.

Annual General Meeting

As set out in my statement on pages 61 to 62, our Directors' Remuneration Report will be subject to an advisory vote at our AGM to be held on 10 July 2025.

Approved by the Board and signed on behalf of the Board.

Roger Burnley
Chair of the Remuneration Committee
28 May 2025

Directors' Report

The Directors are pleased to share the following Directors' Report for FY25. As permitted by section 414C(11) of the Companies Act 2006 (Companies Act), a number of sections of the Directors' Report have been presented elsewhere in the Annual Report and Accounts, where the context provides a clearer view on the disclosure provided. Any such information has not been replicated in this Directors' Report and appropriate cross references have been provided below.

Information located in the Strategic Report:

- Principal activities – pages 4 to 6
- Matters of strategic significance and future developments – pages 2 to 5 and 7 to 8
- Profits, dividends and shareholder returns – pages 16 to 18
- Stakeholder engagement – pages 9 to 12

Information located in the Governance Section:

- Directors during FY25 and up 28 May 2025 – page 32 to 33 and 34
- Board and Group diversity policies – page 37 to 38 and 41
- Colleague information relating: to colleague numbers, diversity statistics, listening and engagement, share plans and remuneration, disability information – page 9, 14 to 15, 24, 34, 37 to 38, and 61 to 70
- Corporate Governance Code statement – page 34
- Internal controls and risk management arrangements – pages 19 to 20, 36 and 44 to 45
- Information relating to greenhouse gas emissions – pages 57 to 58
- AGM information – page 41
- Key policies: Anti-Bribery, Modern Slavery, Whistleblowing – page 36
- Conflicts of interest and related party transactions – page 34

Information located in the Financial Statements:

- Financial instruments information – Note 9
- Dividend waivers – Note 9
- Share capital – Note 22
- Acquisition of own shares – Note 22

Additional Information

Branches outside the UK

The Company has no branches outside the UK.

Political donations

The Group made no political donations and incurred no political expenditure during the year (FY24: nil). It remains the Company's policy not to make political donations or to incur political expenditure, however the application of the relevant provisions of the Companies Act is potentially very broad in nature and, as with last year, the Board is seeking shareholder authority to ensure that the Group does not inadvertently breach these provisions as a result of the breadth of its business activities. The Board has no intention of using this authority.

Shareholder information

Information provided to the Company pursuant to the Disclosure Guidance and Transparency Rules is published on a Regulatory Information Service and on the Company's website. As at 27 March 2025, the following information had been received, in accordance with DTR5.1.2R, from holders of notifiable interests in the Company's issued share capital. These figures represent the number of shares and percentages held as at the date of notification to the Company. It should be noted that these holdings may have changed since notified to the Company however, notification of any change is not required until the next applicable threshold is crossed.

Name of Shareholder	Number of Ordinary Shares as at 27 March 2025	Percentage of issued share capital (%)	Nature of holding (Direct/ Indirect)
Neuberger Berman LLC	34,796,468	7.6	Indirect
Schroder Investment Management Ltd (SIM)	34,676,633	7.5	Indirect
Fidelity Management & Research Company LLC	33,831,488	7.4	Indirect
Marathon-London	20,857,742	4.5	Indirect
The Vanguard Group Inc	17,836366	3.9	Indirect
Allianz Global Investors GmbH	16,597,445	3.6	Indirect
Dimensional Fund Advisors LP	14,517,799	3.2	Indirect

Significant agreements with change of control provisions

The only significant agreements to which the Company is a party that take effect, alter or terminate upon a change of control of the Company following a takeover bid, and the effect thereof, are as follows:

- The Group has a revolving credit facility with a total facility amount of £300m. This senior facilities agreement expires on 30 September 2028 and contains customary prepayment, cancellation and default provisions including, if required by a lender, mandatory prepayment of all utilisations provided by that lender upon the sale of all or substantially all of the business and assets of the Group or a change of control. In addition the Group has a £23.3m loan facility to fund the purchase of capital items which expires on 27 March 2030 and mirrors the terms of the senior facilities agreement.
- The Company's subsidiary, Companion Care (Services) Ltd (CCSL), has an existing £26m facility agreement with Santander for a reducing basis (non-revolving) loan facility with a three-year availability period. CCSL also has an agreement with Lloyds and, along with Vets4Pets Limited (V4P), a further facility with HSBC. Both the HSBC and Lloyds facilities are capable of being reborrowed and contain clauses that vary the maximum facility limits over their availability periods. Both facility agreements were extended to June 2025. As at 27 March 2025, the maximum facility limit on the HSBC and Lloyds facility agreements were £10m and £18.5m respectively. CCSL is currently in discussions with HSBC and Lloyds regarding new facility agreements.
- Alongside the above facilities, certain joint venture practices have existing loans in place with NatWest (RBS) and Lloyds under historic agreements. These agreements are no longer active, however the loans drawn down under them are still being repaid over time.
- Pursuant to certain of the vet business facility agreements, CCSL and V4P provide guarantees in respect of a certain fixed proportion of the outstanding facility loans provided to the joint venture practices which borrow under the facility. The facility agreements contain customary prepayment, cancellation and default provisions which include the event of a change of control (direct or indirect) of CCSL or V4P.

Directors' Report continued

Director insurance and indemnities

The Company maintains Directors' and officers' liability insurance cover for its Directors and officers (and those of other Group companies) as permitted under the Articles and the Companies Act. Such insurance policies were renewed during the period and remain in force as at the date of this Annual Report. Each Director and officer of the Company also has the benefit of a qualifying indemnity, as defined by section 236 of the Companies Act, and as permitted by the Articles and such indemnities were in force during the financial year. An indemnity deed is entered into by a Director at the time of his or her appointment to the Board. No amount was paid under any of these indemnities or insurances during the financial year other than the applicable insurance premiums.

Directors' information to auditors

In accordance with section 418 of the Companies Act, each Director who held office at the date of the approval of this Directors' Report (whose names and functions are listed in the Board of Directors on pages 32 to 33) confirms that, so far as he or she is aware, there is no relevant audit information of which the Group's auditor is unaware, and that each Director has taken all of the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Research and development

Over the past year the Veterinary Services team have continued their work within the regulatory, legislative and research spaces. The partnership with Royal Veterinary College (RVC) Vet Compass team on their project 'Improved stewardship to protect veterinary antimicrobial usage in UK cats and dogs' continues and results are expected to be published in FY26. These results will form the final elements of the Vets for Pets Antimicrobial Stewardship Guidance. The business also continued to share anonymised clinical data with Vet Compass to support their research. Membership of RUMA CA&E (Responsible Use of Medicines in Companion Animal & Equine Alliance) continued, to actively participate in efforts to promote the responsible use of antibiotics. With continued focus on advocacy, engagement continued relating to improving animal welfare and supporting the development of veterinary and pet care professionals. The business provided support on providing background research information on the 'Puppy Smuggling' Bill, submitted by MP Danny Chambers. In late 2024, Vets for Pets organised a discussion Roundtable, chaired by Lord Trees, with representatives from RCVS, BVA, BVNA, and EFRA to address the modernisation of the 1966 Veterinary Surgeons Act. The Veterinary Leadership team continue to hold a number of meetings with MPs to discuss the Veterinary Surgeons Act. Within the advocacy approach, of particular focus is the work of Registered Veterinary Nurses (RVN) and the RVN and Skills Programme will be launched in FY26.

In addition, the relationship with and support of Meatly continued, as noted on pages 15 and 53.

Director changes, powers of directors and the articles of association

The appointment and replacement of directors is governed by the Company's Articles of Association ('Articles'), the Code and the Companies Act 2006. Subject to the Articles, the Companies Act and any directions given by special resolution of the shareholders from time to time, the directors may exercise all the powers of the Company. In accordance with the Companies Act 2006, the Articles may be amended by a special resolution of the shareholders.
No changes to the Articles were made during FY25.

Disclosures required under the UK Listing Rules

In accordance with Listing Rule 6.6.1R(1), the information required to be disclosed in the Annual Report under Listing Rules 6.6.1R and 6.6.6R is disclosed on the following pages of this Annual Report:

Disclosure	Page number
Long term incentive schemes	61 to 65 and 68 to 69
Significant contracts	71
Dividend waivers	Note 9
Statement of capitalised interest	n/a
Climate related financial disclosures consistent with TCFD	49 to 60

Post balance sheet events

There are no post balance sheet events that are non-adjusting requiring disclosure.

Approved by the Board and signed on behalf of the Board.

L. Lazenby

Lesley Lazenby
Legal Director & Company Secretary
28 May 2025

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare the Group and parent Company financial statements in each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards ('UK-adopted IFRS') and applicable law and have elected to prepare the Parent Company financial statements under FRS 101 Reduced Disclosure Framework ('FRS 101') and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss in the period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant and reliable;
- State whether they have been prepared in accordance with UK adopted international accounting standards;
- Assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule (DTR) 4.1.16R and 4.1.14R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R using the single electronic reporting format under the TD ESEF Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format or whether the Annual Report has been prepared in accordance with those requirements.

Responsibility statement of the Directors in respect of the Annual Financial Report

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Approved by the Board and signed on its behalf by:

Lyssa McGowan
Chief Executive Officer
28 May 2025

Independent Auditor's Report
to the members of Pets at Home Group plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Pets at Home Group plc (the 'Parent Company', 'the Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 27 March 2025 and of the Group's profit for the 52 week period then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated balance sheet;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows;
- the related notes 1 to 28 to the consolidated financial statements;
- the company balance sheet;
- the company statement of changes in equity; and
- the related notes C1 to C9 for the parent company financial statements.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Parent Company for the period are disclosed in note 3 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Parent Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current period was: – Accuracy of Retail overrider income recognised.
Materiality	The materiality that we used for the Group financial statements was £6.1 million, which was determined on the basis of profit before tax.
Scoping	We performed audits of the entire financial information across three reporting components, which resulted in 99% of group revenue and 96% of the profit before tax being subject to audit procedures. All audit work was performed by the group audit team.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the Group's financing facilities including the nature of facilities, repayment terms, covenants and expected renewal of financing arrangements;
- assessment of the assumptions used in the Board approved forecasts by reference to historical performance, the impact of macroeconomic uncertainty, and other supporting evidence such as market data;
- recalculating the amount of headroom in the forecasts (in liquidity terms and against the relevant covenant limits);
- assessing the appropriateness of the sensitivity analysis performed by management; and
- assessing the appropriateness of the disclosures made in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report continued

5. Key audit matters continued

5.1. Accuracy of overrider income recognition

Key audit matter description	As described in note 1.19 the group receives income from suppliers in connection with the purchase of goods for resale, which is recognised on an accruals basis and therefore held on balance sheet within accrued income as explained in note 19. This income arises in a number of different forms, with the most significant element being in relation to Retail overrider income, which includes arrangements that are typically not coterminous with the group's financial period, instead running alongside the calendar year, meaning there is an element which is estimated based on forecast volumes. This is also included in the significant matters and judgements considered by the Audit and Risk Committee as noted on page 43. Therefore, management judgement is required in determining the value of overrider income to be recognised in the non-coterminous period as this is based on forecast supplier spend which is impacted by the group's financial performance. We have therefore identified a key audit matter as the accuracy of overrider income, specifically the element which is non-coterminous with the group's period-end.

How the scope of our audit responded to the key audit matter	We have performed the following procedures to address this key audit matter:
	
	– obtained an understanding of the relevant controls relating to Retail overrider income recognition;
	– challenged the basis for the recognition of the overrider income recorded in the non-coterminous period by performing the following procedures for a sample of suppliers:
	
	  – obtained a sample of supplier agreements and latest correspondence to examine the terms and conditions associated with the supplier income forecast for calendar year 2025 to challenge whether the amounts recognised for the non-coterminous periods are appropriate, based on the terms therein; and
	  – assessed the level of income forecast for calendar year 2025 recognised by reference to historical volumes and amounts achieved in the calendar year to date; and
	
	– assessed whether the related disclosures in the financial statements were appropriate.

Key observations	Based on our procedures performed, we are satisfied that the overrider income recognised during the period ended 27 March 2025 is appropriate.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
Materiality	£6.1 million (FY24: £5.9 million (as used by the previous auditor)).	£5.5 million (FY24: £2.9 million (as used by the previous auditor)).
Basis for determining materiality	5.1% of profit before tax. The previous auditor used 4.3% of profit before tax, normalised to exclude non-underlying items of £26.3 million.	1% of the Parent Company's net assets (capped at 90% of Group materiality). The previous auditor used 0.31% of Parent Company total assets.
Rationale for the benchmark applied	We have used profit before tax for determining materiality. This is considered to be a key benchmark as this metric is important to the users of the Financial Statements (investors and analysts being the key users for a listed entity) because it portrays the performance of the business and hence its ability to pay a return on investment to the investors.	The Parent Company is a holding company for the Group and pays external dividends to shareholders, therefore we have determined net assets to be the appropriate basis.

Independent Auditor's Report continued

6. Our application of materiality continued

6.1. Materiality continued

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent Company financial statements
Performance materiality	70% of Group materiality (FY24: 75% as used by the previous auditor).	70% of Parent Company materiality (FY24: 75% as used by the previous auditor).
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: – our risk assessment, including our assessment of the group's overall control environment, and that we were unable to place reliance on the internal controls for the purposes of our audit; and – the low level of corrected and uncorrected misstatements identified in the prior period audit by the previous auditor.	

6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £0.3 million (FY24: £0.3 million, as determined by the previous auditor), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our group audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls, assessing the risks of material misstatement at the group level and by developing an appropriate audit plan for each significant account. We assessed the qualitative and quantitative characteristics of each financial statement line item and considered the relative contribution of each component to these line items in determining which components would be subject to audit procedures.

The group is structured so that it has three reporting units, as described in Note 2, within which there are a total of eight reporting components. We have identified our components at this level. We performed audits of the entire financial information for three of the eight reporting components, that together represent 99% of group revenue and 96% of the group's profit or loss before tax.

All audit work was performed by the UK group audit team. The component performance materialities used by the audit team ranged between £2.1 million to £3.8 million.

At a group level, we audited the consolidation, and performed analytical review procedures over all components not in scope in order to assess whether there were any additional risks of material misstatement at the group level within those components.

7.2. Our consideration of the control environment

The group uses a number of IT systems and applications across the business and we worked with our IT specialists to obtain an understanding of the general IT controls for relevant systems. Following this, we focused our testing on the two core financial systems that underpin the reporting components. A number of IT control deficiencies have been identified during the course of our audit work.

We have also obtained an understanding of the relevant business process controls across a number of areas, including revenue, override income, financial reporting processes and goodwill impairment.

Given the deficiencies identified in the IT controls and reflecting this being our first period as auditor, we adopted a fully substantive audit approach and did not plan to rely upon controls.

The group continues to invest time in addressing our observations on IT and entity level controls. In doing so, management monitors the resolution of these points with oversight from the Audit and Risk Committee, as explained in the Audit and Risk Committee Report on page 42, which includes consideration of developments in control in the context of the FRC guidance and changes to the Corporate Governance Code.

Independent Auditor's Report continued

7. An overview of the scope of our audit continued

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the group's business and its financial statements.

We have obtained management's climate-related risk assessment and held discussions with those charged with governance to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the group's financial statements. As noted on page 73, the Directors have considered the impact of climate change, particularly in the context of the risks identified in the TCFD disclosures on pages 49 to 60 and the principal risks on pages 21 to 29, noting the Group is exposed to the impacts of climate change on its business and operations.

Our procedures were performed with the involvement of our ESG specialist team and included reading disclosures in the Strategic Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the board on 28 May 2025.
- results of our enquiries of management, the directors, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the accuracy of Retail overrider income recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Listing Rules, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. We identified the following areas as those most likely to have such an effect: competition and anti-bribery laws, data protection laws, employment law, advertising standards, environmental and health and safety regulations.

Independent Auditor's Report continued

11.2. Audit response to risks identified

As a result of performing the above, we identified accuracy of overrider income recognition as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements.

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 73;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 30;
- the directors' statement on fair, balanced and understandable set out on page 73;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 20;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 20; and
- the section describing the work of the Audit and Risk Committee set out on page 42.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board of Directors at the Annual General Meeting on 11 July 2024 to audit the financial statements for the 52 week period ended 27 March 2025 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments of the firm is therefore one 52 week period, being the period ended 27 March 2025.

15.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

Independent Auditor's Report continued

16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Rachel Argyle (Senior statutory auditor)
For and on behalf of Deloitte LLP Statutory Auditor
Manchester,
United Kingdom

28 May 2025

Consolidated income statement
for the 52 week period ended 27 March 2025

		52 week period ended 27 March 2025			52 week period ended 28 March 2024 (restated)[1]		
	Note	Underlying trading £m	Non-underlying items (note 3) £m	Total £m	Underlying trading £m	Non-underlying items (note 3) £m	Total £m
Revenue	2	**1,482.1**	**–**	**1,482.1**	1,480.2	–	1,480.2
Cost of sales[2]		**(787.4)**	**–**	**(787.4)**	(788.9)	–	(788.9)
Gross profit		**694.7**	**–**	**694.7**	691.3	–	691.3
Selling and distribution expenses		**(442.9)**	**(8.3)**	**(451.2)**	(442.2)	(21.4)	(463.6)
Administrative expenses	3	**(117.6)**	**(6.4)**	**(124.0)**	(116.3)	(4.8)	(121.1)
Other income	3	**14.6**	**2.3**	**16.9**	12.7	–	12.7
Operating profit	2,3	**148.8**	**(12.4)**	**136.4**	145.5	(26.2)	119.3
Financial income	6	**2.9**	**–**	**2.9**	4.0	–	4.0
Financial expense	7	**(18.7)**	**–**	**(18.7)**	(17.5)	(0.1)	(17.6)
Net financing expense		**(15.8)**	**–**	**(15.8)**	(13.5)	(0.1)	(13.6)
Profit before tax		**133.0**	**(12.4)**	**120.6**	132.0	(26.3)	105.7
Taxation	8	**(35.5)**	**3.1**	**(32.4)**	(33.1)	6.6	(26.5)
Profit for the period		**97.5**	**(9.3)**	**88.2**	98.9	(19.7)	79.2

1 See note 1.26 for an explanation of the prior year restatement.

2 Impairment gains on receivables of £nil (52 weeks to 27 March 2025 £1.0m) are reported within cost of sales.

Basic and diluted earnings per share attributable to equity shareholders of the Company:

	Note	52 week period ended 27 March 2025	52 week period ended 28 March 2024
Equity holders of the parent – basic	5	**19.0p**	16.6p
Equity holders of the parent – diluted	5	**18.8p**	16.4p

Dividends paid and proposed are disclosed in note 9.

The notes on pages 84 to 138 form an integral part of these financial statements.

Consolidated statement of comprehensive income
for the 52 week period ended 27 March 2025

	Note	52 week period ended 27 March 2025 £m	52 week period ended 28 March 2024 £m
Profit for the period		**88.2**	79.2
Other comprehensive income			
Items that are or may be recycled subsequently into profit or loss:			
Effective portion of changes in fair value of cash flow hedges	22	**0.6**	3.3
Net change in fair value of cash flow hedges reclassified to profit or loss	22	**0.1**	1.3
Other comprehensive income for the period, before income tax		**0.7**	4.6
Income tax on changes in fair value of cash flow hedges	15,22	**–**	(0.3)
Other comprehensive income for the period, net of income tax		**0.7**	4.3
Total comprehensive income for the period		**88.9**	83.5

The notes on pages 84 to 138 form an integral part of these financial statements.

Consolidated Balance Sheet
at 27 March 2025

	Note	At 27 March 2025 £m	At 28 March 2024 £m
Non-current assets			
Property, plant and equipment	11	**161.7**	158.1
Right-of-use assets	12	**284.6**	319.3
Intangible assets	13	**985.1**	979.7
Other financial assets	16	**15.0**	10.9
		1,446.4	1,468.0
Current assets			
Inventories	14	**106.9**	97.5
Derivative financial assets	16	**0.5**	0.3
Income tax receivable		**0.2**	–
Trade and other receivables	17	**63.3**	60.9
Cash and cash equivalents	18	**39.5**	57.1
		210.4	215.8
Total assets		**1,656.8**	1,683.8
Current liabilities			
Trade and other payables	20	**(255.6)**	(249.2)
Income tax payable		**–**	(1.4)
Other interest-bearing loans and borrowings	19	**(4.7)**	(2.2)
Lease liabilities	12	**(78.5)**	(79.8)
Provisions	21	**(5.1)**	(7.6)
Derivative financial liabilities	16	**(1.7)**	(1.0)
		(345.6)	(341.2)
Non-current liabilities			
Interest-bearing loans and borrowings	19	**(26.7)**	(43.3)
Lease liabilities	12	**(269.8)**	(301.0)
Provisions	21	**(3.9)**	(5.1)
Deferred tax liabilities	15	**(17.6)**	(4.7)
		(318.0)	(354.1)
Total liabilities		**(663.6)**	(695.3)
Net assets		**993.2**	988.5
Equity attributable to equity holders of the parent			
Ordinary share capital	22	**4.6**	4.7
Consolidation reserve	22	**(372.0)**	(372.0)
Merger reserve	22	**113.3**	113.3
Translation reserve	22	**(0.1)**	(0.1)
Capital redemption reserve	22	**0.4**	0.3
Cash flow hedging reserve	22	**(1.2)**	(0.5)
Retained earnings	22	**1,248.2**	1,242.8
Total equity		**993.2**	988.5

On behalf of the Board:

Mike Iddon
Chief Financial Officer
28 May 2025

Company number: 08885072

The notes on pages 84 to 138 form an integral part of these financial statements.

Consolidated Company Statement of Changes in Equity
as at 27 March 2025

	Share capital £m	Consolidation reserve £m	Merger reserve £m	Cash flow hedging reserve £m	Translation reserve £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
Balance at 28 March 2024	**4.7**	**(372.0)**	**113.3**	**(0.5)**	**(0.1)**	**0.3**	**1,242.8**	**988.5**
Total comprehensive income for the period								
Profit for the period	–	–	–	–	–	–	**88.2**	**88.2**
Other comprehensive income (note 22)	–	–	–	0.7	–	–	–	0.7
Total comprehensive income for the period	–	–	–	**0.7**	–	–	**88.2**	**88.9**
Hedging gains and losses reclassified to inventory	–	–	–	(1.6)	–	–	–	**(1.6)**
Deferred tax on hedging gain and losses	–	–	–	0.2	–	–	–	0.2
Total hedging gains and losses reclassified to inventory	–	–	–	**(1.4)**	–	–	–	**(1.4)**
Transactions with owners, recorded directly in equity								
Equity dividends paid	–	–	–	–	–	–	(59.7)	(59.7)
Credit to equity for share based payments	–	–	–	–	–	–	5.9	5.9
Share buyback	(0.1)	–	–	–	–	0.1	(25.1)	(25.1)
Purchase of own shares	–	–	–	–	–	–	(3.9)	(3.9)
Total contributions by and distributions to owners	**(0.1)**	–	–	–	–	**0.1**	**(82.8)**	**(82.8)**
Balance at 27 March 2025	**4.6**	**(372.0)**	**113.3**	**(1.2)**	**(0.1)**	**0.4**	**1,248.2**	**993.2**

Consolidated statement of changes in equity
as at 28 March 2024

	Share capital £m	Consolidation reserve £m	Merger reserve £m	Cash flow hedging reserve £m	Translation reserve £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
Balance at 30 March 2023	4.8	(372.0)	113.3	(1.6)	(0.1)	0.2	1,280.5	1,025.1
Total comprehensive income for the period								
Profit for the period	–	–	–	–	–	–	79.2	79.2
Other comprehensive income (note 22)	–	–	–	4.3	–	–	–	4.3
Total comprehensive income for the period	–	–	–	4.3		–	79.2	83.5
Hedging gains and losses reclassified to inventory	–	–	–	(3.2)	–	–	–	(3.2)
Total hedging gains and losses reclassified to inventory	–	–	–	(3.2)	–	–	–	(3.2)
Transactions with owners, recorded directly in equity					–	–		
Equity dividends paid	–	–	–	–	–	–	(60.7)	(60.7)
Credit to equity for share based payments	–	–	–	–	–	–	5.9	5.9
Deferred tax movement on IFRS2 reserve	–	–	–	–	–	–	(1.0)	(1.0)
Share buyback	(0.1)	–	–	–	–	0.1	(50.3)	(50.3)
Purchase of own shares	–	–	–	–	–	–	(10.8)	(10.8)
Total contributions by and distributions to owners	(0.1)	–	–	–	–	0.1	(116.9)	(116.9)
Balance at 28 March 2024	4.7	(372.0)	113.3	(0.5)	(0.1)	0.3	1,242.8	988.5

Consolidated statement of cash flows

for the 52 week period ended 27 March 2025

	Note	52 week period ended 27 March 2025 £m	52 week period ended 28 March 2024 £m
Cash flows from operating activities			
Profit for the period		**88.2**	79.2
Adjustments for:			
Depreciation and amortisation	11, 12, 13	**102.2**	109.6
Non underlying profit on disposal		**(2.3)**	–
Financial income	6	**(2.9)**	(4.0)
Financial expense	7	**18.7**	17.6
Share-based payment charges	3	**5.9**	5.9
Taxation	8	**32.4**	26.5
		242.2	234.8
Increase in trade and other receivables		**(0.9)**	(6.3)
(Increase)/decrease in inventories		**(9.4)**	11.1
Increase/(decrease) in trade and other payables		**10.7**	(5.3)
Decrease in provisions		**(3.7)**	(4.1)
Movement in working capital		**(3.3)**	(4.6)
Tax paid		**(20.9)**	(20.2)
Net cash flow from operating activities		**218.0**	210.0
Cash flows from investing activities			
Acquisitions of other investments		**(1.0)**	(1.0)
Proceeds from the sale of other investments		**2.3**	–
Investment capital contributions		**(0.9)**	(2.5)
Proceeds from repayment of initial partner loans		**1.5**	2.1
Interest received		**3.0**	4.1
Costs to acquire right-of-use assets		**(0.4)**	(0.5)
Acquisition of subsidiaries, net of cash acquired	10	**(1.3)**	(1.0)
Disposal of subsidiaries, net of cash disposed		**(1.6)**	(1.5)
Acquisition of property, plant and equipment and other intangible assets		**(49.0)**	(48.0)
Net cash generated from in investing activities		**(47.4)**	(48.3)
Cash flows from financing activities			
Equity dividends paid	9	**(59.7)**	(60.7)
Repayment of borrowings	23	**(15.0)**	(75.0)
Debt issue costs	23	**–**	(0.9)
Cash payments for the principal portion of the right-of-use lease liability		**(66.5)**	(68.4)
Purchase of own shares		**(3.9)**	(10.8)
Share buyback		**(25.1)**	(50.3)
Interest paid		**(4.8)**	(3.2)
Interest paid on lease obligations		**(13.2)**	(13.3)
Net cash used in financing activities		**(188.2)**	(282.6)
Net decrease in cash and cash equivalents		**(17.6)**	(120.9)
Cash and cash equivalents at beginning of period	18	**57.1**	178.0
Cash and cash equivalents at end of period	18	**39.5**	57.1

The notes on pages 84 to 138 form an integral part of these financial statements.

Notes to the consolidated financial statements

Pets at Home Group Plc 'the Company' is a company incorporated in the United Kingdom and registered in England and Wales and its registered office is Epsom Avenue, Stanley Green, Handforth, Cheshire, SK9 3RN.

1 Accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

1.1 Basis of preparation

The Group financial statements of Pets at Home Group Plc have been prepared in accordance with UK-adopted international accounting standards (UK-adopted IFRS) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Parent Company financial statements in the prior year were prepared in accordance with UK-adopted International Financial Reporting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

These Parent Company financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework (FRS 101) for all periods presented, under the historical cost convention, and in accordance with the Companies Act and other applicable law. The transition has not had an impact on the values of balances previously presented and therefore no changes are required in the presentation of the prior period balances

As permitted by FRS 101, the Parent Company has taken advantage of the disclosure exemptions available under that standard in relation to standards not yet effective and presentation of a cash flow statement. The accounting policies adopted for the Parent Company are otherwise consistent with those used for the Group as set out within this note. The Company has also taken advantage of the following disclosure exemptions under FRS 101:

- The requirement of paragraphs 91-99 of IFRS 13 'Fair Value Measurement'
- The requirement of IFRS 7 'Financial Instruments: Disclosure'
- The requirements of 45 (b) and 46-52 of IFRS 2 'Share-based payments'
- The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

On publishing the Parent Company financial statements here together with the Group financial statements, the Company has also taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual income statement and related notes that form a part of these approved Financial Statements.

New standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) becoming effective during the 52 week period ended 27 March 2025 have not had a material impact on the Group's financial statements, these include IAS 8 amendments and IAS 1 amendments on current/non-current classification of liabilities.

The OECD Pillar Two GloBE model rules introduce a global minimum corporation tax rate of 15% applicable to multinational enterprise groups with global revenue over €750m. Pillar Two legislation was substantively enacted on 20 June 2023 in the UK, the jurisdiction in which the Group's ultimate parent company is incorporated, and came into effect from 1 January 2024. The Group applies the mandatory temporary exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

1.2 Measurement convention

The consolidated financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss.

1.3 Going concern

The Group and Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report. The financial position of the Group and Company, its cash flows, liquidity position and borrowing facilities are described in the Chief Financial Officer's review. In addition, note 23 to the financial statements includes the Group and Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Directors of the Group have prepared cash flow forecasts for a period of at least 12 months from the date of the approval of these financial statements which indicate that, despite taking account of reasonably possible downsides, the Group will have sufficient funds, through its revolving credit facility, to meet its liabilities as they fall due for that period.

In preparing the forecasts for the Group, the Directors have carefully considered the impact of consumer confidence, geopolitical tensions and the actual and potential impact on supply chains, as well as energy cost inflation on liquidity and future performance. The Group has also considered the impact of climate change and the Task Force on Climate Related Financial Disclosures ('TCFD') scenario analysis conducted in undertaking this assessment.

The Group has access to a revolving credit facility of £300m which expires on 30 September 2028 and a £23.3m asset backed loan which expires on 27 March 2030. The Group has £33.3m drawn down at 27 March 2025 and cash balances of £39.5m. The lowest level of headroom forecast over the next 12 months from the date of signing of the financial statements is in excess of £329.0m in the base case scenario. On a sensitised basis, the lowest level of headroom forecast over the next 12 months from the date of approving of the financial statements is £301.9m due to the removal of the dividend payment in an extreme scenario.

Notes to the consolidated financial statements continued

1 Accounting policies continued

1.3 Going concern continued

The Group has been in compliance with all covenants applicable to this facility within the financial year and is forecast to continue to be in compliance for 12 months from the date of signing of the financial statements.

A number of severe but plausible downside scenarios were calculated compared to the base case forecast of profit and cash flow to assess headroom against facilities for the next 12 months. These scenarios included:

- Scenario 1: Reduction on Group like-for-like sales growth assumptions of 1% in each year throughout the forecast period, but ordinary dividends continue to be paid.
- Scenario 2: Using scenario 1 outcomes and further impacted by a conflated risk impact of £64.8m on sales and £25.1m on PBT per annum (using specific financial risks taken from Group risk register with sales and PBT financial impact quantified), with dividends held at 13.0p per share per annum.
- Scenario 3: Group like-for-like sales growth at 0% in each year and a conflated risk impact of £144.8m on sales and £44.2m on PBT is applied (using the top risks from Group risk register with sales and PBT impact quantified), with dividends cut to nil to conserve cash.

Against these negative scenarios, adjusted projections showed no breach of covenants. Further mitigating actions could also be taken in such scenarios should it be required, including reducing capital expenditure.

Despite net current liabilities of £135.2m at Group level and £922.8m in the Company, the Directors of Pets at Home Group Plc, having made appropriate enquiries including the principal risks and uncertainties on pages 21 to 29, consider that the Group and Company will have sufficient funds to continue to meet their liabilities for a period of at least 12 months from the date of approval of these financial statements and that, therefore, it is appropriate to adopt the going concern basis in preparing the Group consolidated financial statements and the Company only financial statements as at and for the period ended 27 March 2025.

1.4 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The Group and Company operate an Employee Benefit Trust (EBT) for the purposes of acquiring shares to fund share awards made to employees. The EBT is deemed to be a subsidiary of the Group and Company as Pets at Home Group Plc is considered to be the ultimate controlling party for accounting purposes. The assets and liabilities of this trust have been included in the consolidated financial information. The cost of purchasing own shares held by the EBT is accounted for in retained earnings.

Investment in Joint Venture veterinary practices

The Group has a number of non-participatory shareholdings in veterinary practice companies, which are considered Joint Venture partnerships. The veterinary practices were established under terms that require mutual agreement between the Group and the Joint Venture Partner, and do not give the Group power over decision making, nor joint control, to affect its exposure to, or the extent of, the returns from its involvement with the practices and therefore are not consolidated in these financial statements. Further, the Group is not entitled to profits, losses, or any surplus on winding up or disposal of the Joint Venture veterinary practices, and as such no participatory interest is recognised. The Group's category of shareholding in the Joint Venture veterinary practices entitles the Group to charge management fees for support services provided. For further details see notes 1.22, 16, 17 and 27. The Group's shares are non-participatory, and therefore the Group does not share in any profits, losses or other distribution of value from the Joint Venture company; the investments are held at cost less impairment, which is deemed to be their carrying value as explained further in note 16.

1.5 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve or non-controlling interest, as the case may be.

Functional currency

The consolidated financial statements are presented in sterling which is the functional currency of the Parent Company and the presentational currency of the Group and Company, these have been rounded to the nearest £0.1m.

Notes to the consolidated financial statements continued

1 Accounting policies continued

1.6 Classification of financial instruments issued by the Group

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. These are recognised initially at fair value. Subsequent recognition are measure in accordance with the substance of the contractual agreement.

1.7 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, other interest-bearing loans and borrowings, and trade and other payables.

Trade and other receivables

Trade receivables are recognised initially at their transaction price and other receivables are initially recognised at fair value. Subsequent to initial recognition they are both measured at amortised cost using the effective interest method, less any expected credit loss.

Trade and other payables

Trade payables and other payables are initially recognised at fair value. Subsequent to initial recognition they are both measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the cash flow statement and are only offset for balance sheet purposes where the offsetting criteria are met.

Other interest-bearing loans and borrowings

Interest-bearing borrowings are recognised initially at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Investments in equity

Investments in equity are initially recognised at fair value through profit or loss ('FVTPL'), changes are recognised in the profit or loss.

As disclosed in note 1.6: Classification of financial instruments issued by the Group.

1.8 Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss, i.e. when interest income or expense is recognised.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging is included directly in the initial cost of the non-financial item when it is recognised. For all other hedging forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect the profit or loss.

For cash flow hedges, other than those covered by the preceding two policy statements, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged forecast transaction affects profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Notes to the consolidated financial statements continued

1 Accounting policies continued

1.9 Intra-group financial instruments

Financial guarantee contracts issued to guarantee the indebtedness of companies within the Group are accounted for in accordance with

'IFRS9 – Financial Instruments'. These guarantees are initially recognised at fair value and subsequently measured at the higher of:

- The amount of the expected credit loss (ECL) determined in accordance with the ECL model under IFRS9; and
- The amount initially recognised, less any cumulative income recognised in accordance with IFRS15.

1.10 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land and assets under construction are not depreciated. The estimated useful lives are as follows:

Freehold property	– 50 years
Fixtures, fittings, tools and equipment	– 3 to 20 years
Leasehold improvements	– the term of the lease

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

The impact of climate change, particularly in the context of risks identified in the TCFD scenario analysis have been considered and no material impact on the carrying value, useful lives or residual values have been identified.

1.11 Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Customer lists are valued based on the forecast net present value of the future economic relationship with those customers, adjusted for forecast retention rates. Technology based 'know how' assets are valued based on the expected cost to reproduce or replace the asset, adjusted for the functional or economic obsolescence, if present and measurable. Software is stated at cost less accumulated amortisation.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of an asset. The estimated useful lives are as follows:

Software	– 2 to 7 years
Customer lists	– 10 years
Technology based know-how	– 10 years

Amortisation methods, useful lives and residual values are reviewed at each balance sheet date.

Expenditure on Software as a Service ('SaaS') customisation and configuration that is distinct from access to the cloud software can only be capitalised to the extent it gives rise to an asset, i.e. where the Group has the power to obtain the future economic benefits and can restrict others' access to those benefits, otherwise such expenditure in relation to developing SaaS for use is expensed.

The impact of climate change, particularly in the context of risks identified in the TCFD scenario analysis have been considered and no material impact on the carrying value, useful lives or residual values have been identified.

1.12 Leases

On completion of a lease, the Group recognises a right-of-use asset, representing its right to use the underlying asset and a lease liability, representing its obligation to make lease payments. The lease liability is measured at the present value of the lease payments over the term of the lease, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate. This rate is adjusted to take into account the risk associated with the length of the lease. Lease payments will include any fixed payments, including as a result of stepped rent increases.

The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the lease commencement date and any lease incentives received or premiums paid.

The Group has lease contracts in relation to property and equipment. There are recognition exemptions for low-value assets and short-term leases with a lease term of 12 months or less. Any leases under a short-term licence agreement are excluded as they fall into the lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease. The total value of leases where the Group has taken a recognition exemption is disclosed in note 12.

The Group has a small number of leases where it is an intermediate lessor. For these leases, it accounts for the interest in the head lease and sub-lease separately. It assesses the lease classification of the sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Notes to the consolidated financial statements continued

1 Accounting policies continued

1.12 Leases continued

The Group currently receives rental income from related Joint Venture veterinary practices which are located within the Group's retail stores. These rental incomes are disclosed in note 3. Under IFRS16, the lease classification of sub-leases is assessed by reference to the right-of-use asset under the head lease rather than the underlying asset. This rental income is presented in other income in the Consolidated Income Statement.

Right-of-use assets may be impaired if the lease becomes onerous. Impairment costs would be charged to administrative expenses if this occurred.

1.13 Business combinations

Business combinations are accounted for by applying the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 26 March 2010

For acquisitions on or after 26 March 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. If contingent consideration is payable and is dependent on future employment, it is recognised as an expense over the relevant period as a cost of continuing employment. There can be significant timing difference between the charges that are recorded in the Consolidated Income Statement to reflect movements in the fair value of the liability and the actual cash payments made to settle the liability.

On settlement of the liability, the part of each payment relating to the original estimate of the fair value of the contingent consideration on acquisition is reported within investing activities in the cash flow statement and the part relating to the increase in the liability since the acquisition is reported within operating cash flows. Any contingent deferred consideration receivable is recognised at fair value.

On a transaction-by-transaction basis, the Group elects to measure non-controlling interests, which have both present ownership interests and are entitled to a proportionate share of net assets of the acquiree in the event of liquidation, either at its fair value or at its proportionate interest in the recognised amount of the identifiable net assets of the acquiree at the acquisition date. All other non-controlling interests are measured at their fair value at the acquisition date.

Acquisitions prior to 26 March 2010 (date of adoption of IFRS)

IFRS1 grants certain exemptions from the full requirements of Adopted IFRS for first time adopters. In respect of acquisitions prior to 26 March 2010, goodwill is included on the basis of its deemed cost.

1.14 Investments

Investments in associates and joint ventures are carried in the Consolidated Balance Sheet at the Group's share of their net assets at date of acquisition and of their post-acquisition retained profits or losses and other comprehensive income together with any goodwill arising on the acquisition. The Group recognises the assets, liabilities, revenue and expenses of joint operations in accordance with its rights and obligations.

Assessment of control with regard to Joint Ventures

Disclosed in 1.22: Accounting estimates and judgements.

1.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition, less rebates and discounts.

Provision is made against specific inventory lines where market conditions identify an issue in recovering the full cost of that Stock Keeping Unit ('SKU'). The provision focuses on the age of inventory and the length of time it is expected to take to sell and applies a progressive provision against the gross inventory based on the numbers of days' stock on hand. Where necessary, further specific provision is made against inventory lines, where the calculated provision is not deemed sufficient to carry the inventory at net realisable value.

To the extent that the ageing profile of gross inventory as calculated by this provision methodology results in a material provision, it will be disclosed as an estimate that may have an impact on subsequent periods. To the extent this is material, it will be disclosed in note 1.22.

Notes to the consolidated financial statements continued

1 Accounting policies continued

1.16 Impairment excluding inventories

Financial assets (including receivables)

Measurement of Expected Credit Losses ('ECLs') and definition of default

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The definition of default is applicable to intercompany and related party receivables but not relevant to trade receivables where the lifetime expected credit loss is considered. The Group considers Joint Venture receivables (operating loans) to be in default when the underlying veterinary practice is significantly under-performing against its business plan, assessed based on future cash flow forecasts for the individual practices which utilise consistent assumptions across all practices. Any shortfall in repayment of the Joint Venture loans and receivables following the 10-year forecast period are considered to be in default as repayment is expected during this time. Loss given default is also determined based on the forecast shortfall amount. Those within the performing credit risk category are deemed to have low credit risk. Practices categorised within the in default credit risk categories are those considered to be in default based on their cash flow forecast. Significant increase in credit risk is not applicable to Joint Venture operating loans due to the on-demand payment terms.

Initial set up loans are considered in default if they cannot be settled within one day of year end. These loans have no set repayment date but are expected to be recovered within 15 years. There is no significant increase in credit risk of any practice which has an operating loan as these are considered to be on demand as defined above. All other loans are considered to be performing and have low credit risk.

The Group considers other intercompany and related party assets to be in default when the entity does not have the forecasted future funds available to repay the balance, if recalled.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. Details of these provisions are explained in note 16.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

The recoverable amount of an asset or cash-generating unit as defined by IAS36 is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated post-tax future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units ('CGUs'). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.17 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

A number of employees of the Company's subsidiaries (including Directors) receive an element of remuneration in the form of share-based payments, whereby employees render services in exchange for shares in Pets at Home Group Plc or rights over shares.

Share-based payments are measured at fair value at the date of grant. The fair value of transactions involving the granting of shares is determined by the share price at the date of grant. The fair value of transactions involving the granting of share options is calculated based on a binomial model. In valuing share-based payments, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Pets at Home Group Plc ('market conditions').

Notes to the consolidated financial statements continued

1 Accounting policies continued

1.17 Employee benefits continued

Share-based payments continued

The cost of share-based payments is recognised, together with a corresponding increase in equity, on a straight-line basis over the vesting period based on the Company's estimate of how many of the awards will eventually vest. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied. Where the terms of a share-based payment award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where a share-based payment award is cancelled, it is treated as if it had vested on the date of cancellation and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification to the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Employee Benefit Trust

The assets and liabilities of the Employee Benefit Trust ('EBT') have been included in the Group and Company accounts. The assets of the EBT are held separately from those of the Company. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Group consolidated statement of comprehensive income.

Investments in the Company's own shares held by the EBT are presented as a deduction from reserves and the number of such shares is deducted from the number of shares in issue when calculating the diluted earnings per share. The trustees of the holdings of Pets at Home Group Plc shares under the Pets at Home Group Employee Benefit Trust have waived or otherwise foregone any and all dividends paid.

1.18 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.19 Revenue and cost of sales

Revenue represents the total amount receivable for goods and services, net of discounts, coupons, returns and excluding value added tax, sold in the ordinary course of business, and arises substantially from activities in the United Kingdom.

Revenue is recognised when the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled, and substantially all of the Group's performance obligations have been fulfilled. Depending on whether certain criteria are met, revenue is recognised either over time, in a manner that best reflects the Group's performance, or at a point in time, when control of the goods or services is transferred to the customer.

Sale of goods in-store and online

Retail revenue from the sale of goods is recorded net of value added tax, colleague discounts, coupons, vouchers, returns and the free element of multi-save transactions. Sale of goods represents food and accessories sold in-store and online, with revenue recognised at the point in time the customer obtains control of the goods and substantially all of the Group's performance obligations have been fulfilled, which is when the transaction is completed in-store and at point of delivery to the customer for online orders. Revenue is adjusted to account for estimates for anticipated returns and a provision is recognised within trade and other payables. Estimates for anticipated returns are calculated using past data for both in-store and online transactions. No separate asset has been recognised (with no corresponding adjustment to cost of sales) in relation to the value of products to be recovered from the customer as the products are not always in a resaleable condition.

Gift vouchers and cards

Revenue from the sale of gift vouchers and cards is deferred until the voucher is redeemed, at which point performance obligations have been fulfilled. In line with IFRS15 the value of revenue deferred is based on expected redemption rates. The Group continues to assess the appropriateness of the expected redemption rates against actual redemptions.

Pets Club loyalty scheme

Under the Pets Club loyalty scheme, points are earned by customers upon the purchase of goods and services. These points can be converted by nominated charities into gift cards for redemption against goods and services in-store and online. The sales value of the points earned under the Pets Club scheme are treated as deferred income; the sales are only recognised once the points have been redeemed by the charities, at which point performance obligations have been fulfilled. The points do not expire and have no value to the customer.

Subscription orders

Revenue for subscription orders is recognised at the point of delivery of each incremental order to the customer at which point performance obligations have been fulfilled. Subscription services primarily relate to the repeat order of products sold online and in-store.

Provision of services

Revenue from the provision of services is recorded net of value added tax, colleague discounts, coupons and discount vouchers. Provision of services represents veterinary group income, grooming revenue and insurance commissions, with revenue recognised upon provision of the service to the customer at the point at which the Group has substantially fulfilled its performance obligations.

Notes to the consolidated financial statements continued

1 Accounting policies continued

1.19 Revenue and cost of sales continued

Provision of services continued

i) Veterinary Group income

Veterinary Group income represents revenue recognised at a point in time from the provision of veterinary services from Company managed practices and income from the provision of administrative support services to Joint Venture veterinary practices. Revenue received for the provision of veterinary services is recognised at the point of provision of the service and is recognised net of value added tax, colleague discounts, coupons and vouchers. Fee income received from the Joint Venture veterinary practice companies for administrative support services is recognised in the period the services relate to and recorded net of value added tax. Fee income received from Joint Venture companies in relation to network purchasing arrangements is recognised as the contractual commitments are fulfilled to create an entitlement to the revenue. The Group also receives revenue in relation to business development for the Joint Venture companies and recognises this within operating income.

The Group launched the new 'Complete Care Health' plans in June 2023, which offered a more comprehensive package of services available to customers adding discretionary elements such as clinic visits and telehealth services. Now that we have sufficient data to assess the membership usage of the component parts of the health plans we have reviewed the point at which we consider the treatment/services have been provided. Revenue is recognised in line with specific performance obligations of the plan as they are completed in line with the contract. The majority of these are met at a point in time, with the remainder over time and have been assessed based on the nature of the individual components.

Under the previous application of the policy, revenue from care plans was deferred and recognised at the point at which treatment and/or services were provided against the plan at an amount that reflected the consideration to which the entity expected to be entitled in exchange for those goods or services. Once the plan had expired, any unutilised deferred revenue was recognised as revenue. The impact of this accounting policy application in the financial statements for the 52 week period ended 27 March 2025 is £4.9m.

Revenue from 'Vac4Life' plans is deferred when payment is received and then recognised in reducing proportions over the first three years of the plan when vaccinations/boosters are provided.

Revenue derived from the veterinary telehealth business ('TVC') is recognised over time on a pro-rated basis over the period the customers have access to the telehealth service through subscriptions.

Rental income received from in-store Joint Venture veterinary practices is disclosed within note 3 and is categorised as other income.

ii) Grooming revenue

Grooming revenue is recognised net of value added tax, colleague discounts, coupons and vouchers, at the point of provision of the service to the customer. Deposits received are deferred until the grooming service has been performed.

iii) Insurance commissions

Insurance commissions are recognised over time on a pro-rated basis over the period the insurance policy relates to.

Accrued income

Accrued income relates to income in relation to fees from Joint Venture veterinary practices, and overrider and promotional income from suppliers which has not yet been invoiced. Accrued income has been classified as current as it is expected to be invoiced and received within 12 months of the period end. Supplier income is recognised on an accruals basis, based on the expected entitlement that has been earned up to the balance sheet date for each relevant supplier contract.

Cost of sales

Cost of sales includes costs of goods sold and other directly attributable costs, promotional income and rebate income received from suppliers, including costs to deliver administrative support services to Joint Venture veterinary practices and costs to deliver grooming services. Supplier early payment discounts are also included within cost of sales, these are offered from certain inventory suppliers based on payment of invoices within a certain time frame resulting in a percentage discount to reduce cost of sales.

Supplier income

A number of different types of supplier income are negotiated with suppliers via the joint business planning process in connection with the purchase of goods for resale, the largest of which being overrider income and promotional income, which are explained below. The supplier income arrangements are typically not coterminous with the Group's financial period, instead running alongside the calendar year. Such income is only recognised when there is reasonable certainty that the conditions for recognition have been met by the Group, and the income can be measured reliably based on the terms of the contract. This income is recognised as a credit within gross margin to cost of sales and, to the extent that the rebate relates to unsold stock purchases, as a reduction in the cost of inventory.

Supplier income is recognised on an accruals basis, based on the expected entitlement that has been earned up to the balance sheet date for each relevant supplier contract. The accrued incentives, rebates and discounts receivable at period end are included within trade and other receivables.

Given the presence of the joint business plans, on the basis of the historic recoverability of accrued balances, and as amounts are typically agreed with suppliers prior to recognition, supplier income is not considered to be an area of significant estimation that could impact on the following financial year.

Notes to the consolidated financial statements continued

1 Accounting policies continued

1.19 Revenue and cost of sales continued

Supplier income continued

Supplier income comprises:

Overrider income

Overrider income comprises three main elements:

1. Fixed percentage-based income: These relate largely to volumetric rebates based on the joint business plan agreements with suppliers. The income accrued is based on the Group's latest forecast volumes and the latest contract agreed with the supplier. Income is not recognised until the Group has reasonable certainty that the joint business agreement will be fulfilled, with the amount of income accrued regularly reassessed and remeasured throughout the contractual period, based on actual performance against the joint business plan.
2. Fixed lump sum income: These are typically guaranteed lump sum payments made by the supplier and are not based on volume. Fixed lump sum income is usually predicated on confirmation of a supplier contract and typically includes performance conditions upon the Group, such as marketing and promotional campaigns. These amounts are recognised periodically when contractual milestones have been met such as the promotion being run or marketing in-store.
3. Growth income: These are tiered volumetric rebates relating to growth targets agreed with the supplier in the joint business planning process. These are retrospective rebates based on sales volumes or purchased volumes. Income is recognised to the extent that it is reasonably certain that the conditions will be achieved, with such certainty increasing in the latter part of the calendar year.

Promotional income

Promotional income relates to supplier funded rebates specific to promotional activity run in agreement between the Group and its suppliers. Rebates are agreed at an individual inventory article level for agreed periods of time and are systemically calculated based on article sales information. No estimation is applied in calculating the promotional income receivable.

1.20 Finance income and expenses

Financing expenses

Financing expenses comprise interest payable under the effective interest rate method, incorporating amortisation of loan arrangement fees, interest on lease liabilities and non-underlying interest on lease liabilities.

Financing income

Financing income comprises interest receivable on funds invested and other interest receivable. Interest receivable income is recognised in profit or loss as it accrues, using the effective interest method.

1.21 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.22 Accounting estimates and judgements

The preparation of consolidated financial statements in conformity with UK adopted IFRS requires management to make judgements, estimates and assumptions concerning the future that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These judgements are based on historical experience and management's best knowledge at the time and the actual results may ultimately differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical accounting judgements

Assessment of control with regard to Joint Ventures

The assessment of control with regard to Joint Ventures is now considered to be a critical accounting judgement. This is not a change in the judgement itself which remains unchanged.

The Group has assessed, and continually assesses, whether the level of an individual Joint Venture veterinary practice's indebtedness to the Group, particularly those with high levels of indebtedness, implies that the Group has the practical ability to control the Joint Venture, which would result in the requirement to consolidate. In making this judgement, the Group reviewed the terms of the Joint Venture agreement and the question of practical ability, as a provider of working capital to control the activities of the practice. This included consideration of barriers to the Group's ability to exercise such practical or other control which include difficulty in replacing Joint Venture Partners due to the shortage of veterinarians in the UK and reputational damage within the veterinary network should the Group attempt to exercise control, as well as potential barriers to the Joint Venture Partner exercising their own power over the activities of the practice. We note that under the terms of the Joint Venture agreement, the partners run their practices with complete operational and clinical freedom. The Group is satisfied that on the balance of evidence from the Group's experience as shareholder and provider of working capital support to the practices, it does not have the current ability to exercise control over those practices to which operating loans are advanced, and therefore non-consolidation is appropriate.

Notes to the consolidated financial statements continued

1 Significant accounting policies continued

1.22 Accounting estimates and judgements continued

Critical accounting judgements continued

Assessment of control with regard to Joint Ventures continued

There are no significant estimates or assumptions which would cause a material change to the carrying value of asset and liabilities within the next 12 months. Other estimates, which are not key source of estimates which could lead to a material change in carrying value within the next 12 months, are explained below.

Impairment of goodwill and other intangibles (other estimate)

Determining whether goodwill and other intangibles are impaired requires an estimation of the value in use of the cash-generating units to which goodwill and other intangible assets have been allocated. The value in use calculation requires estimation of future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Details of CGUs as well as further information about the assumptions made are disclosed in note 13. The Directors consider that it is not reasonably possible for the assumptions for the current financial year to change so significantly to warrant inclusion as a significant estimate but acknowledge that there is estimation uncertainty over the assumptions used in future financial periods when calculating future cash flows.

1.23 Dividends

Final dividends are recognised in the Group's financial statements as a liability in the period in which the dividends are approved by shareholders such that the Company is obliged to pay the dividend. Interim equity dividends are recognised in the period in which they are paid.

1.24 Non-underlying items

Income or costs considered by the Directors to be non-underlying are disclosed separately to facilitate year-on-year comparison of the underlying trade of the business. The Directors consider non-underlying costs to be those that are not generated from ordinary business operations, infrequent in nature and unlikely to reoccur in the foreseeable future.

1.25 Alternative Performance Measures

The Directors measure the performance of the Group based on a range of financial measures, including measures not recognised by UK-adopted IFRS. These Alternative Performance Measures may not be directly comparable with other companies' Alternative Performance Measures and the Directors do not intend these to be a substitute for, or superior to, IFRS measures. Further information can be found in the Glossary on pages 143 to 145.

1.26 Prior year restatement on supplier discounts

In the current year the Directors have reconsidered the presentation of other income earned from marketing fees, previously offset against expenses within cost of sales. Comparatives have been restated for consistency. As a result, both revenue and cost of sales have increased by £3.6m. There is no effect on profit for the year or net assets.

2 Segmental reporting

The Group has three strategic business units, Retail, Vet Group and Central. These are consistent with those reported in the 52 week period ended 28 March 2024. The Group's operating segments are based on the internal management structure and internal management reports, which are reviewed by the Executive Directors on a periodic basis. The Executive Directors are considered to be the Chief Operating Decision Makers.

The Group is a pet care business with the strategic advantage of being able to provide products, services and advice, addressing all pet owners' needs. The strategic business units offer different products and services, are managed separately and require different operational and marketing strategies.

The operations of the Retail reporting segment comprise the retailing of pet products purchased online and in-store, pet sales, grooming services and insurance commissions. The operations of the Vet Group reporting segment comprise General Practice and the veterinary telehealth business. Central includes Group costs and finance expenses.

The following summary describes the operations in each of the Group's reportable segments. Performance is measured based on segment underlying operating profit, as included in the management reports that are reviewed by the Executive Directors. These internal reports are prepared in accordance with IFRS accounting policies consistent with these financial statements. All material operations of the reportable segments are carried out in the UK and all revenue is from external customers. A large proportion of revenue recognised within the Vet Group relates to fee income from joint venture veterinary partners which are considered to be related parties. Further information regarding these related party transactions is disclosed in note 27.

Notes to the consolidated financial statements continued

2 Segmental reporting continued

Income statement	52 week period ended 27 March 2025 Retail £m	Vet Group £m	Central £m	Total £m
Revenue	**1,306.8**	**175.3**	**–**	**1,482.1**
Gross profit	**602.4**	**92.3**	**–**	**694.7**
Depreciation and amortisation	**(97.4)**	**(4.3)**	**(0.5)**	**(102.2)**
Underlying operating profit/(loss)	**85.8**	**75.1**	**(12.1)**	**148.8**
Non-underlying items	**(6.0)**	**–**	**(6.4)**	**(12.4)**
Operating profit/(loss)	**79.8**	**75.1**	**(18.5)**	**136.4**
Net financing expenses	**(12.9)**	**0.8**	**(3.7)**	**(15.8)**
Profit/(loss) before tax	**66.9**	**75.9**	**(22.2)**	**120.6**
Total non-underlying items	**6.0**	**–**	**6.4**	**12.4**
Underlying profit/(loss) before tax	**72.9**	**75.9**	**(15.8)**	**133.0**

Non-underlying operating expenses in the periods ended 27 March 2025 and 28 March 2024 are explained in note 3.

Income statement	52 week period ended 28 March 2024 (restated)[1] Retail £m	Vet Group £m	Central £m	Total £m
Revenue	1,330.1	150.1	–	1,480.2
Underlying gross profit	614.1	77.2	–	691.3
Depreciation and amortisation	(102.9)	(6.2)	(0.5)	(109.6)
Underlying operating profit/(loss)	100.4	60.9	(15.8)	145.5
Non-underlying items	(22.5)	(2.8)	(0.9)	(26.2)
Operating profit/(loss)	77.9	58.1	(16.7)	119.3
Underlying net financing expense	(13.0)	0.7	(1.2)	(13.5)
Non-underlying net financing expense	(0.1)	–	–	(0.1)
Profit/(loss) before tax	64.8	58.8	(17.9)	105.7
Total non-underlying items	22.6	2.8	0.9	26.3
Underlying profit/(loss) before tax	87.4	61.6	(17.0)	132.0

1 See note 1.26 for an explanation of the prior year restatements.

Segmental revenue analysis by revenue stream	52 week period ended 27 March 2025 Retail £m	Vet Group £m	Total £m
Retail – Food	**804.6**	**–**	**804.6**
Retail – Accessories	**449.2**	**–**	**449.2**
Retail – Services	**53.0**	**–**	**53.0**
Vet Group – Joint Venture fee income	**–**	**103.4**	**103.4**
Vet Group – Company managed practices	**–**	**52.5**	**52.5**
Vet Group – Other income	**–**	**15.4**	**15.4**
Vet Group – Veterinary telehealth services	**–**	**4.0**	**4.0**
Total	**1,306.8**	**175.3**	**1,482.1**

Notes to the consolidated financial statements continued

2 Segmental reporting continued

Segmental revenue analysis by revenue stream	52 week period ended 28 March 2024 (restated)[1] Retail £m	Vet Group £m	Total £m
Retail – Food	814.2	–	814.2
Retail – Accessories	465.5	–	465.5
Retail – Services	50.4	–	50.4
Vet Group – Joint Venture fee income	–	89.3	89.3
Vet Group – Company managed practices	–	44.6	44.6
Vet Group – Other income	–	13.0	13.0
Vet Group – Veterinary telehealth services	–	3.2	3.2
Total	1,330.1	150.1	1,480.2

1 See note 1.26 for an explanation of the prior year restatement.

Notes to the consolidated financial statements continued

3 Expenses

Included in operating profit are the following:

	52 week period ended 27 March 2025 £m	52 week period ended 28 March 2024 £m
Non-underlying items		
Costs relating to the implementation of the new Distribution Centre		
Provisions for retention and relocation bonuses for colleagues at existing Distribution Centres	**0.4**	2.4
Provisions for voluntary redundancies for colleagues at existing Distribution Centres	**–**	0.8
Dual running costs of operating new and existing Distribution Centres	**1.9**	4.5
Depreciation of right-of-use assets	**3.4**	3.1
Project management costs of opening new Distribution Centre	**–**	1.8
Onerous lease provision	**1.6**	–
Depreciation of property plant and equipment at legacy sites	**–**	3.4
Transitional costs of opening a new Distribution Centre	**–**	5.4
	7.3	21.4
Store redundancy costs	**1.0**	–
Total included within selling and distribution expenses	**8.3**	21.4
Group restructure and legal settlement costs	**3.1**	2.3
Legal costs associated with the CMA review	**3.3**	
Depreciation of property plant and equipment (Group restructure costs)	**–**	0.8
Depreciation of right-of-use assets (Group restructure costs)	**–**	0.6
Impairment of investment	**–**	1.1
Total included within administrative expenses	**6.4**	4.8
Included within other Income – Disposal of investment	**(2.3)**	–
Total non-underlying cost within operating profit	**12.4**	26.2
Interest expense on the lease liabilities of the Distribution Centres	**–**	0.1
Total net non-underlying items	**12.4**	26.3
Underlying items		
Impairment gains on receivables	**–**	(1.0)
Depreciation of property, plant and equipment	**28.5**	26.5
Amortisation of intangible assets	**8.1**	10.1
Depreciation of right-of-use assets	**62.2**	65.1
Share-based payment charges	**5.9**	5.9
Other income		
Rental income from sub-leasing right-of-use assets to third parties	**(0.2)**	(0.2)
Rental and other occupancy income from related parties[1]	**(13.0)**	(12.7)
Supplier funding income	**(1.6)**	–

1 Rental and other occupancy income from related parties is included in other income.

The presentation of non-underlying costs presented above have been changed to reflect the income statement categories (selling and distribution expenses, administrative expenses and other income).

Notes to the consolidated financial statements continued

3 Expenses continued

Non-underlying items in operating profit

Stafford Distribution Centre

During the 52 week period ended 27 March 2025, the Group continued to incur a number of costs in the process of bringing into operation a new Distribution Centre to replace the existing legacy Distribution Centres. The process was a significant operational change for the Group, outside of the ordinary course of business and has now concluded.

As part of the transition, the Group has incurred £7.3m operational costs which it has classified as non-underlying (£21.4m in the 52 week period ended 28 March 2024).

- £0.4m relates to costs for retention bonuses (£2.4m in the 52 week period ended 28 March 2024) for colleagues at the existing Distribution Centres to remain employed by the Group until the point at which the sites closed.
- £1.9m (£4.5m in the 52 week period ended 28 March 2024) relates to costs incurred whist the legacy Distribution Centres and the new Distribution Centres were both in operation.
- £3.4m in relation to depreciation of the right-of-use assets for the legacy sites (£3.1m in the 52 week period ended 28 March 2024), which includes £1.7m in relation to accelerated depreciation of the legacy site.
- All operations ceased at the legacy site before the 27 March 2025. At this date the remaining right of use asset of the legacy site was fully impaired (£1.7m included in the number above) and an onerous lease provision (£1.6m) was created in relation to the remaining lease associated costs.
- Additional non-underlying charges made during the 52 weeks ending 28 March 2024 relate to;
  - £0.8m provision for redundancy
  - £1.8m project management costs
  - £3.4m is in relation to depreciation charges of the legacy property, plant and equipment assets;
- £5.4m relate to costs incurred to transition the operations over to the new site. These costs included costs incurred in training new employees, and £1.8m in relation to project management costs of opening new Distribution Centre.

Store redundancy costs

Store redundancy costs of £1.0m relate to expected store redundancy costs following the announcement of the store colleague operating model simplification process.

Group restructure and legal settlement costs

- Non-underlying Group restructure costs in the 52 week period ended 27 March 2025 of £3.1m primarily relate to redundancy payments from a central one-off Group-wide redundancy programme.
- Non-underlying charges made during the 52 week period ended 28 March 2024 relate to: £2.3m for a restructure within the Vet Group, £0.8m in relation to accelerated depreciation of premises no longer required and £0.6m in relation to depreciation of the associated right-of-use assets.

Legal costs

- Legal costs associated with the CMA review totalled £3.3m (£nil in the 52 week period ended 28 March 2024).

Impairment of investments

During the 52 week period ended 28 March 2024 the Group impaired its investment in Dog Stay Limited ('Tailster') resulting in £1.1m of non-underlying charges.

Other income

During the 52 week period ended 27 March 2025, the Group disposed of its investments in Pure Pet Food Limited which resulted in a profit on disposal of £2.3m within retail which has been recognised in other income.

Auditor's remuneration

	52 week period ended 27 March 2025 £m	52 week period ended 28 March 2024 £m
Audit of the Parent Company financial statements		–
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**1.5**	1.3
Review of interim financial statements	**0.1**	0.1
Other assurance services (sustainability assurance)	**0.1**	–
	1.7	1.4

Prior year auditor remuneration relates to services provided by KPMG.

Notes to the consolidated financial statements continued

4 Colleague numbers and costs

The average number of persons employed by the Group (including Directors) during the period, analysed by category, was as follows:

	52 week period ended 27 March 2025 Number	52 week period ended 28 March 2024 Number
Sales and distribution – FTE	**6,830**	7,297
Administration – FTE	**1,075**	1,072
	7,905	8,369
Sales and distribution – total	**10,493**	10,924
Administration – total	**1,104**	1,107
	11,597	12,031

The aggregate payroll costs of these persons were as follows:

	52 week period ended 27 March 2025 £m	52 week period ended 28 March 2024 £m
Wages and salaries	**288.1**	282.9
Social security costs	**24.5**	24.8
Contributions to defined contribution pension plans	**10.9**	10.0
	323.5	317.7

Remuneration of Directors and Executive Management Team

	52 week period ended 27 March 2025 £m	52 week period ended 28 March 2024 £m
Executive Directors' remuneration paid in respect of qualifying services	**1.2**	2.3
Non-Executive Directors' remuneration paid in respect of qualifying services	**0.5**	0.6
Executive Directors' amount of gains on the exercise of share options	**0.6**	0.7
Executive Directors' pension contributions	**0.1**	0.1
Total Directors' remuneration	**2.4**	3.7
Executive Management Team remuneration paid in respect of qualifying services	**3.1**	6.5
Executive Management Team amount of gains on the exercise of share options	**0.9**	2.6
Executive Management Team pension contributions	**0.2**	0.2
Total Executive Management Team remuneration	**4.2**	9.3

In the opinion of the Board, the key management as defined under revised IAS24 Related Party Disclosures are the Executive Directors, Non-Executive Directors and the Executive Management Team. Executive Directors' emoluments are also included within the Executive Management Team emoluments disclosed above. There are no further amounts, other than those noted above, receivable under long term incentive schemes by the Directors or Executive Management team.

The number of Directors who received pensions contributions in the 52 weeks period ended 27 March 2025 is two for Executive Directors (two in the 52 week period ended 28 March 2024) and eight in the Executive Management Team (nine in the 52 week period ended 28 March 2024).

Notes to the consolidated financial statements continued

5 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of Ordinary Shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of Ordinary Shares outstanding during the period plus the weighted average number of Ordinary Shares that would be issued on the conversion of all dilutive potential Ordinary Shares into Ordinary Shares.

	52 week period ended 27 March 2025		52 week period ended 28 March 2024	
	Underlying trading	After non-underlying items	Underlying trading	After non-underlying items
Profit attributable to equity shareholders of the parent (£m)	**97.5**	**88.2**	98.9	79.2
Basic weighted average number of shares	**463.5**	**463.5**	477.7	477.7
Dilutive potential Ordinary Shares	**5.0**	**5.0**	5.0	5.0
Diluted weighted average number of shares	**468.5**	**468.5**	482.7	482.7
Basic earnings per share	**21.0p**	**19.0p**	20.7p	16.6p
Diluted earnings per share	**20.8p**	**18.8p**	20.5p	16.4p

6 Finance income

	52 week period ended 27 March 2025 £m	52 week period ended 28 March 2024 £m
Interest receivable on loans to Joint Venture veterinary practices	**0.5**	0.5
Other interest receivable	**2.4**	3.5
Total finance income	**2.9**	4.0

7 Finance expense

	52 week period ended 27 March 2025 £m	52 week period ended 28 March 2024 £m
Bank loans at effective interest rate	**4.7**	3.5
Amortisation of debt issue costs	**0.8**	0.8
Underlying interest expense on lease liability	**13.2**	13.2
Non-underlying interest expense on lease liability	**–**	0.1
Total finance expense	**18.7**	17.6

Notes to the consolidated financial statements continued

8 Taxation

Recognised in the income statement

	52 week period ended 27 March 2025 £m	52 week period ended 28 March 2024 £m
Current tax expense		
Current period	**23.2**	22.7
Adjustments in respect of prior periods	**(3.9)**	(1.4)
Current tax expense	**19.3**	21.3
Deferred tax expense		
Origination and reversal of temporary differences	**7.8**	6.9
Adjustments in respect of prior periods	**5.3**	(1.7)
Deferred tax expense	**13.1**	5.2
Total tax expense	**32.4**	26.5

The UK corporation tax standard rate for the period was 25% (2024: 25%). Deferred tax at 27 March 2025 has been calculated based on the rate of 25% which is the rate at which the majority of items are expected to reverse.

Deferred tax recognised in comprehensive income

	52 week period ended 27 March 2025 £m	52 week period ended 28 March 2024 £m
Deferred tax on changes in fair value of cash flow hedges (note 22).	**–**	(0.3)

Reconciliation of effective tax rate

	52 week period ended 27 March 2025			52 week period ended 28 March 2024		
	Underlying trading £m	Non-underlying items £m	Total £m	Underlying trading £m	Non-underlying items £m	Total £m
Profit for the period	**97.5**	**(9.3)**	**88.2**	98.9	(19.7)	79.2
Total tax expense/(credit)	**35.5**	**(3.1)**	**32.4**	33.1	(6.6)	26.5
Profit excluding taxation	**133.0**	**(12.4)**	**120.6**	132.0	(26.3)	105.7
Tax using the UK corporation tax rate for the period of 25%	**33.3**	**(3.1)**	**30.2**	33.0	(6.6)	26.4
Depreciation on expenditure not eligible for tax relief	**0.8**		**0.8**	1.1	–	1.1
Expenditure not eligible for tax relief	**–**	**–**	**–**	2.1	–	2.1
Adjustments in respect of prior periods	**1.4**	**–**	**1.4**	(3.1)	–	(3.1)
Total tax expense	**35.5**	**(3.1)**	**32.4**	33.1	(6.6)	26.5

The UK corporation tax standard rate for the 52 week period ended 27 March 2025 was 25% (52 week period ended 28 March 2024: 25%). The effective tax rate before non-underlying items for the 52 week period ended 27 March 2025 was 26.7% (52 week period ended 28 March 2024: 25.1%). The effective tax rate after non-underlying items for the 52 week period ended 27 March 2025 was 26.8% (52 week period ended 28 March 2024: 25.1%).

Notes to the consolidated financial statements continued

9 Dividends paid and proposed

	Group and Company	
	52 week period ended 27 March 2025 £m	52 week period ended 28 March 2024 £m
Declared and paid during the period		
Final dividend of 8.3p per share (2023: 8.3p per share)	**38.4**	39.5
Interim dividend of 4.7p per share (2024: 4.5p per share)	**21.3**	21.2
Proposed for approval by shareholders at the AGM		
Final dividend of 8.3p per share (2024: 8.3p per share)	**38.1**	38.8

The trustees of the following holdings of Pets at Home Group Plc shares under the Pets at Home Group Employee Benefit Trust have waived or otherwise foregone any and all dividends paid in relation to the periods ended 27 March 2025 and 28 March 2024 and to be paid at any time in the future (subject to the exceptions in the relevant trust deed) on its respective shares for the time being comprised in the trust funds:

Computershare Nominees (Channel Islands) Limited (holding at 27 March 2025: 5,670,000 shares; holding at 28 March 2024 5,564,701 shares).

10 Business combinations

In the 52 week period ended 27 March 2025, the Group has acquired 100% of the 'A' shares of eight veterinary practices which were previously accounted for as Joint Venture veterinary practices. These practices were previously accounted for as Joint Venture veterinary practices as the Group only held 100% of the non-participatory 'B' Ordinary Shares, equating to 50% of the total shares. Acquisition of all or the majority of the 'A' shares has led to the control and consolidation of these practices. The primary reason for the business combination is to hold these practices as company-owned until a suitable Joint Venture partner is found at which point the intention is to convert them into Joint Venture Partnerships. A detailed explanation for the basis of consolidation can be found in note 1.4.

Up to the date of acquisition and in the comparative period being the 52 week period ending 28 March 2024, these entities listed below were all accounted for as a Joint Venture veterinary practice where the Group held 100% of the non-participatory 'B' Ordinary Shares. Acquisition of the 'A' shares has led to the control and consolidation of these practices on the dates below, leading to control from the date of acquisition and consolidation from that date forward.

Subsidiaries acquired in the 52 week period ended 27 March 2025

	Principal activity	Date of acquisition	Proportion of voting equity instruments acquired	Total proportion of voting equity instruments owned following the acquisition	Cash consideration transferred £m
Lichfield Vets4Pets Limited	**Veterinary practice**	**04/04/2024**	**50%**	**100%**	**0.1**
Bishop's Stortford Vets4Pets Limited	**Veterinary practice**	**02/04/2024**	**50%**	**100%**	**–**
Trafford Park Vets4pets Limited	**Veterinary practice**	**04/04/2024**	**50%**	**100%**	**0.1**
Merthyr Tydfil Vets4Pets Limited	**Veterinary practice**	**17/10/2024**	**50%**	**100%**	**–**
Llanrumney Vets4Pets Limited	**Veterinary practice**	**25/10/2024**	**50%**	**100%**	**0.5**
Companion Care (Scarborough) Limited	**Veterinary practice**	**25/10/2024**	**50%**	**100%**	**0.2**
Warminster Vets4Pets Limited	**Veterinary practice**	**24/01/2025**	**50%**	**100%**	**0.2**
Bath Vets4Pets Limited	**Veterinary practice**	**24/01/2025**	**50%**	**100%**	**0.2**

In the 52 week period ended 28 March 2024, the Group has acquired 100% of the 'A' shares of eight veterinary practices and 75% of the 'A' shares of one veterinary practice, which were previously accounted for as Joint Venture veterinary practices. These practices were previously accounted for as Joint Venture veterinary practices as the Group only held 100% of the non-participatory 'B' Ordinary Shares, equating to 50% of the total shares. Acquisition of all or the majority of the 'A' shares has led to the control and consolidation of these practices. A detailed explanation for the basis of consolidation can be found in note 1.4.

During the 52 week period ended 27 March 2025, £1.7m of operating loans which were deemed to be in default were written off in advance of the acquisition of the 'A' shares (52 week period ended 28 March 2024: £1.6m) which led to the control and consolidation of these practices.

Notes to the consolidated financial statements continued

10 Business combinations continued

Subsidiaries acquired in the 52 week period ended 28 March 2024

	Principal activity	Date of acquisition	Proportion of voting equity instruments acquired	Total proportion of voting equity instruments owned following the acquisition	Cash consideration transferred £m
Leigh Vets4Pets Limited	Veterinary practice	22/06/2023	50%	100%	–
Companion Care (Telford)Limited	Veterinary practice	07/07/2023	50%	100%	0.2
Companion Care (Farnham) Limited	Veterinary practice	10/11/2023	50%	100%	0.1
Wakefield Vets4Pets Limited	Veterinary practice	22/12/2023	50%	100%	0.2
Tilehurst Vets4Pets Limited	Veterinary practice	08/01/2024	50%	100%	0.1
Companion Care (Salisbury) Limited	Veterinary practice	24/01/2024	50%	100%	0.2
Companion Care (Kings Lynn) Limited	Veterinary practice	13/02/2024	50%	100%	0.1
Larne Vets4Pets Limited	Veterinary practice	14/03/2024	50%	100%	0.1
Gamston Vets4Pets Limited	Veterinary practice	29/02/2024	50%	75%	–

Assets acquired and liabilities recognised at the date of acquisition

On acquisition, assets and liabilities are revalued to fair value. Pre-existing relationships between the Group and acquired Joint Venture practice are not considered part of the business combination and have been removed from the fair values of assets and liabilities recognised on acquisition. The fair value of net assets of acquisitions during the year was £0.6m (2024: nil) and is immaterial to the Group.

Goodwill arising on acquisition

	27 March 2025 £m	28 March 2024 £m
Consideration	1.3	1.0
Less: Fair value of assets acquired	(0.6)	–
Goodwill arising on acquisition	0.7	1.0
Impairment of goodwill	–	–
Carrying value of goodwill	0.7	1.0

The consideration shown within the table above relates to both consideration for the purchase of A-shares and cash settlement of 'A' shareholder Joint Venture Partner loans, which were repaid to the 'A' shareholder at the point of acquisition.

The goodwill acquired on the purchase of the eight (2024: nine) Joint Venture practices has been allocated to the Vet Group of CGUs and relates to expected future cash flows from combining operations.

Notes to the consolidated financial statements continued

11 Property, plant and equipment

	Freehold property £m	Leasehold improvements £m	Fixtures, fittings, tools and equipment £m	Assets under construction £m	Total £m
Cost					
Balance at 28 March 2024	2.4	82.5	345.4	14.4	444.7
Additions	–	9.8	25.9	3.9	39.6
On acquisition (note 10)	–	1.2	0.8	–	2.0
Transfers[1]	–	–	(5.7)	–	(5.7)
Brought into use	–	–	14.4	(14.4)	–
Disposals	–	(8.4)	(22.9)	–	(31.3)
Balance at 27 March 2025	**2.4**	**85.1**	**357.9**	**3.9**	**449.3**
Depreciation					
Balance at 28 March 2024	0.4	41.5	244.7	–	286.6
Depreciation charge for the period	–	5.3	23.2	–	28.5
Transfer	–	–	1.7	–	1.7
On acquisition	–	0.8	0.9	–	1.7
Disposals	–	(8.0)	(22.9)	–	(30.9)
Balance at 27 March 2025	**0.4**	**39.6**	**247.6**	**–**	**287.6**
Net book value					
At 28 March 2024	2.0	41.0	100.7	14.4	158.1
At 27 March 2025	**2.0**	**45.5**	**110.3**	**3.9**	**161.7**

1 The transfers balance of £5.7m and £1.7m accumulated depreciation is in relation to assets previously categorised within fixtures, fittings, tools and equipment being transferred to software within intangibles.

	Freehold property £m	Leasehold improvements £m	Fixtures, fittings, tools and equipment £m	Assets under construction £m	Total £m
Cost					
Balance at 30 March 2023	2.4	78.0	296.4	28.5	405.3
Additions	–	5.9	30.9	–	36.8
On acquisition (note 10)	–	0.4	–	–	0.4
Transfers[2]	–	–	–	5.7	5.7
Brought into use	–	(0.1)	19.9	(19.8)	–
Disposals	–	(1.7)	(1.8)	–	(3.5)
Balance at 28 March 2024	2.4	82.5	345.4	14.4	444.7
Depreciation					
Balance at 30 March 2023	0.4	36.7	221.3	–	258.4
Depreciation charge for the period	–	5.9	24.8	–	30.7
Disposals	–	(1.1)	(1.4)	–	(2.5)
Balance at 28 March 2024	0.4	41.5	244.7	–	286.6
Net book value					
At 30 March 2023	2.0	41.3	75.1	28.5	146.9
At 28 March 2024	2.0	41.0	100.7	14.4	158.1

2 The transfers balance of £5.7m is in relation to assets previously categorised within software under construction within intangibles.

Notes to the consolidated financial statements continued

12 Leases

As lessee

The majority of the Group's trading stores, standalone veterinary practices, distribution centres and support offices are leased under operating leases with remaining lease terms of between 1 and 20 years. The Group also has a number of non-property operating leases relating to vehicle, equipment and material handling equipment with remaining lease terms of between 1 and 6 years.

Right-of-use assets

	Property £m	Equipment £m	Total £m
Cost			
Balance at 28 March 2024	640.5	22.2	662.7
Additions	24.6	6.3	30.9
Disposals	(16.1)	(8.6)	(24.7)
Balance at 27 March 2025	**649.0**	**19.9**	**668.9**
Depreciation			
Balance at 28 March 2024	327.8	15.6	343.4
Depreciation charge for the period[1]	61.9	3.7	65.6
Disposals	(16.1)	(8.6)	(24.7)
Balance at 27 March 2025	**373.6**	**10.7**	**384.3**
Net book value			
At 28 March 2024	312.7	6.6	319.3
At 27 March 2025	**275.4**	**9.2**	**284.6**

1 The depreciation charge for the period includes £1.7m in relation to impairment charge recognised during the year. See note 3 for further disclosure.

The costs relating to leases for which the Group applied the practical expedient described in paragraph 5a of IFRS16 (leases with a contract term of less than 12 months) amounted to £0.0m (2024: £0.0m) in the 52 week period ended 27 March 2025.

	Property £m	Equipment £m	Total £m
Cost			
Balance at 30 March 2023	614.8	20.3	635.1
Additions	27.2	2.6	29.8
Disposals	(1.5)	(0.7)	(2.2)
Balance at 28 March 2024	640.5	22.2	662.7
Depreciation			
Balance at 30 March 2023	263.5	12.0	275.5
Depreciation charge for the period	64.5	4.3	68.8
Disposals	(0.2)	(0.7)	(0.9)
Balance at 28 March 2024	327.8	15.6	343.4
Net book value			
At 30 March 2023	351.3	8.3	359.6
At 28 March 2024	312.7	6.6	319.3

The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date:

Notes to the consolidated financial statements continued

12 Leases continued

Maturity analysis – contractual undiscounted cash flows

	At 27 March 2025 £m	At 28 March 2024 £m
Less than one year	**78.5**	79.8
Between one and three years	**124.9**	133.9
Between three and five years	**77.8**	86.1
Between five and ten years	**83.1**	96.5
More than ten years	**35.7**	43.0
Total undiscounted lease liabilities	**400.0**	439.3
Carrying value of lease liabilities included in the statement of financial position	**348.3**	380.8
Current	**78.5**	79.8
Non-current	**269.8**	301.0

For the lease liabilities at 27 March 2025 a 0.1% change in the discount rate used would have increased the carrying value of lease liabilities by £0.3m (28 March 2024: £1.0m).

In relation to new leases and lease extensions entered into by the Group during the period, these are discounted at the rate implicit in the lease which ranges from 5.2% to 6.1% depending on the length of the lease and reflect the impact of increases to the Bank of England base rate during the period.

Surplus and short term leases

The Group has a small number of surplus leases on properties from which it no longer trades. A small number of these properties are currently vacant or the sublet is not for the full term of the lease and there is deemed to be a risk on the sublet. These leases are included within the lease balances disclosed on the face of the balance sheet and a related provision has been made for other property costs relating to these properties in note 21.

The Group has a small number of short term leases on properties from which it no longer trades, or a subsection of a trading retail store. These properties are sublet to third parties at contracted rates.

In line with IAS36, the carrying value of the right-of-use asset is assessed for indicators of impairment and an impairment charge will be recognised where management believed there is a risk of default or where the property remained vacant for a period of time. As part of this review the Group has assessed the ability to sub-lease the property and the right-of-use asset has been written down to £nil where the Group does not consider a sublease likely. The remaining right-of-use asset at the legacy distribution centre has been impaired in the period following cessation of operations resulting in an impairment charge of 1.7m.

13 Intangible assets

	Goodwill £m	Customer lists and 'know-how' £m	Software £m	Software under construction £m	Total £m
Cost					
Balance at 28 March 2024	959.5	6.6	80.1	0.2	1,046.4
Additions	0.7	–	6.3	–	7.0
Transfers[1]	–	–	5.7	–	5.7
Impaired	(0.2)	–	–	–	(0.2)
Disposals	(0.6)	(0.2)	(8.1)	–	(8.9)
Balance at 27 March 2025	**959.4**	**6.4**	**84.0**	**0.2**	**1,050.0**
Amortisation					
Balance at 28 March 2024	0.1	1.7	64.9	–	66.7
Amortisation charge for the period	–	0.2	7.9	–	8.1
Transfers	–	–	(1.7)	–	(1.7)
Disposals	–	(0.1)	(8.1)	–	(8.2)
Balance at 27 March 2025	**0.1**	**1.8**	**63.0**	**–**	**64.9**
Net book value					
At 28 March 2024	959.4	4.9	15.2	0.2	979.7
At 27 March 2025	**959.3**	**4.6**	**21.0**	**0.2**	**985.1**

1 The transfers balance of £5.7m and £1.7m accumulated depreciation is in relation to assets previously categorised within fixtures, fittings, tools and equipment being transferred to software within intangibles.

Notes to the consolidated financial statements continued

13 Intangible assets continued

	Goodwill £m	Customer lists and 'know-how' £m	Software £m	Software under construction £m	Total £m
Cost					
Balance at 30 March 2023	959.3	7.0	71.7	8.3	1,046.3
Additions	1.0	–	6.1	–	7.1
Transfers[1]	–	–	–	(5.7)	(5.7)
Brought into use	–	–	2.4	(2.4)	–
Disposals	(0.8)	(0.4)	(0.1)	–	(1.3)
Balance at 28 March 2024	959.5	6.6	80.1	0.2	1,046.4
Amortisation					
Balance at 30 March 2023	0.1	1.7	55.0	–	56.8
Amortisation charge for the period	–	0.2	9.9	–	10.1
Disposal	–	(0.2)	–	–	(0.2)
Balance at 28 March 2024	0.1	1.7	64.9	–	66.7
Net book value					
At 30 March 2023	959.2	5.3	16.7	8.3	989.5
At 28 March 2024	959.4	4.9	15.2	0.2	979.7

Impairment testing

Cash-generating units

For impairment testing of other intangible assets, property plant and equipment and right of use assets, the Group treats each store as a separate cash-generating unit ('CGU'). Distribution costs are apportioned to stores and online sales are apportioned to stores because there is a clear link between the online sale and the store such as 'click and collect', order in store, deliver to store and deliver from store stock. Within the Vet Group, each Company managed practice is considered to be a separate CGU in addition to the veterinary telehealth business, hereafter disclosed as The Vet Connection ('TVC'). The Joint Venture General Veterinary practices are collectively considered to be one CGU due to the structure of the agreements with the Company.

Goodwill generated from an acquisition is allocated to groups of CGUs at an operating segment level as shown in the table below as this represents the lowest level at which goodwill is monitored by management.

Within the Retail operating segment, the group of CGUs comprises the body of stores, online operations and grooming operations. Within the Vet Group operating segment, the group of CGUs comprises the Joint Venture General Veterinary practices, Company Managed practices and TVC.

Within the Vet Group Goodwill balance shown below is £3.8m relating to the Company Managed veterinary practices. The goodwill is allocated to individual balances and assessed annually for impairment. In the year we have impaired £0.2m in relation to one Company Managed practice which was underperforming. This is not considered to be an indicator of impairment for the remaining Vet Group goodwill.

As at 27 March 2025 and 28 March 2024, the Group is deemed to have CGUs and groups of CGUs as follows:

	Goodwill	
	At 27 March 2025 £m	At 28 March 2024 £m
Retail	**586.1**	586.1
Vet Group	**373.2**	373.3
Total	**959.3**	959.4

Notes to the consolidated financial statements continued

13 Intangible assets continued

The recoverable amount of the CGU has been calculated with reference to its value in use. The key assumptions of this calculation are shown below:

	52 week period ended 27 March 2025		52 week period ended 28 March 2024	
	Retail	Vet Group	Retail	Vet Group
Period on which management approved forecasts are based (years)	**5**	**5**	5	5
Growth rate applied beyond approved forecast period	**2.0%**	**2.0%**	2.0%	3.5%
Discount rate (pre-tax)	**12%**	**13%**	11%	12%
Gross profit margin (average over next 5 years)	**45%**	**58%**	45%	60%

The goodwill is considered to have an indefinite useful economic life and the recoverable amount is determined based on 'value-in-use' calculations. The key assumptions used in estimating the value in use calculations were:

Forecasted cash flows – These calculations use a post-tax cash flow projection based on a five-year strategic plan approved by the Board. The model has been adjusted to remove all cash flows associated with business units (for example stores or practices yet to open, but within the planning horizon) which the Group has a strategic intention to invest capital in, but has not yet done so, thus ensuring that the future cash flows used in modelling for impairment exclude any cash flows where the investment is yet to take place, in accordance with the requirements of IAS36 to exclude capital expenditure to improve asset performance. Contributions from and costs associated with new stores and veterinary practices which are already operational at the impairment test date are included in the cash flows. Cash flows related to the central segment have been allocated between both groups of CGUs on a proportionate basis. The Group reviews individual CGUs such as stores and groups of veterinary practices for indicators of impairment. This approach is consistent with impairment reviews carried out in the 2024 financial statements.

The Retail forecast assumptions reflect continual innovation and our deep understanding of our customers, incorporating assumptions based on past experience of the industry, products and markets in which the CGU or group of CGUs operate, in order to generate the detailed assumptions used in the annual budget setting process, and five year strategic planning process. The Vet Group forecast assumptions are based on a deep understanding of the maturity profile of the practices and their performance, incorporating assumptions based on past experience of the industry, services and markets in which the CGU operates in order to generate the detailed assumptions used in the annual budget setting process, and five year strategic planning process. These linkages are embedded in the revenue growth assumption as a result of offering online veterinary consultations as an additional service to Joint Venture veterinary practices. The projections are based on all available information. A different set of assumptions may be more appropriate in future years depending on changes in the macro-economic environment and the industry in which each CGU operates. The Group has considered key risk factors such as the continuing issues throughout our global supply chains and climate change and the likely outcome of the Competition and Markets Authority ('CMA') review of the veterinary sector. We have also started assessing the possible long term impacts of the likely levels of tariffs that may be applied by the USA and retaliatory measures from countries where our supply chains are located. The situation is developing and at this stage we are keeping a close watch on the likely long term impacts.

Long-term growth rates – The Directors have assumed a growth rate projection beyond the projection period of 2% for both units which is lower than market growth rates based on past experience within the Group, taking into account the economic growth forecasts within the relevant industries.

Discount rates – The discount rate was estimated based on past experience and the weighted average cost of capital is adjusted to reflect a market participant view. A post tax discount rate was used within the value in use calculation and adjustments made to calculate the pre-tax discount rate which is disclosed above in line with IAS36 requirements.

Outcome and sensitivity analysis – The total recoverable amount in respect of goodwill for the groups of CGUs as assessed by the Directors using the above assumptions is greater than the carrying amount and therefore no impairment charge has been recorded in each period.

Within the Retail and Vet Group CGUs, a number of sensitivities have been applied to the assumptions in reaching this conclusion including:

- Reduction in growth rate applied beyond forecast period by 100 bps
- Increasing the discount rate by 100 bps
- Reduction in gross margin percentage of 100 bps

None of the above, considered reasonably possible changes in assumptions, would result in impairment when applied either individually or collectively, after inclusion of mitigating actions which are considered within the collective sensitivity analysis.

The Directors consider that it is not reasonably possible for the assumptions to change so significantly as to eliminate the excess of the recoverable amount over the carrying value.

Notes to the consolidated financial statements continued

14 Inventories

	At 27 March 2025 £m	At 28 March 2024 £m
Finished goods	106.9	97.5

The cost of inventories recognised as an expense and included in 'cost of sales' is £677.4m (52 week period ended 28 March 2024: £687.1m).

Inventory expensed to cost of sales includes the cost of the Stock Keeping Units ('SKUs') sold, supplier income, stock wastage and foreign exchange variances.

At 27 March 2025 the inventory provision amounted to £4.4m (28 March 2024: £4.1m). The inventory provision is calculated by reference to the age of the SKU and the length of time it is expected to take to sell. The value of inventory against which an ageing provision is held is £9.9m (28 March 2024: £8.5m).

The provision percentages applied in calculating the provision are as follows:

- Discontinued stock greater than 365 days: 100%
- Current stock greater than 365 days with a use by date: 50%
- Current stock within 180 and 365 days with a use by date: 25%
- Greater than 180 days with no use by date: 25%

Included in the provision is an amount held to account for store stock losses during the period since which the SKU was last counted.

In the 52 week period ended 27 March 2025, the value of inventory written off to the income statement amounted to £10.1m (52 week period ended 28 March 2024: £10.3m).

15 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	At 27 March 2025			At 28 March 2024		
	Assets £m	Liabilities £m	Total £m	Assets £m	Liabilities £m	Total £m
Property, plant and equipment	–	(20.2)	(20.2)	–	(6.1)	(6.1)
Financial assets	0.4	–	0.4	0.2	–	0.2
Other short term temporary differences	2.9	(0.8)	2.1	1.9	(0.8)	1.1
Share based payments	0.1	–	0.1	0.1	–	0.1
Net deferred tax assets/(liabilities)	3.4	(21.0)	(17.6)	2.2	(6.9)	(4.7)

Movement in deferred tax during the period

	28 March 2024 £m	Recognised in income £m	Recognised in equity £m	27 March 2025 £m
Property, plant and equipment	(6.1)	(14.1)	–	(20.2)
Net financial assets	0.2	–	0.2	0.4
Other short term timing differences	1.1	1.0	–	2.1
Share based payments	0.1	–	–	0.1
	(4.7)	(13.1)	0.2	(17.6)

Other short-term timing differences primarily relate to inventory provisions.

Movement in deferred tax during the prior period

	30 March 2023 £m	Recognised in income £m	Recognised in equity £m	28 March 2024 £m
Property, plant and equipment	(2.2)	(3.9)	–	(6.1)
Net financial assets/(liabilities)	0.5	–	(0.3)	0.2
Other short term timing differences	2.5	(1.4)	–	1.1
Share based payments	1.1	–	(1.0)	0.1
	1.9	(5.3)	(1.3)	(4.7)

Notes to the consolidated financial statements continued

16 Other financial assets and liabilities

	At 27 March 2025 £m	At 28 March 2024 £m
Non current other financial assets		
Investments in Joint Venture veterinary practices	**2.7**	2.7
Loans to Joint Venture veterinary practices – initial set up loans	**3.9**	5.2
Loans to Joint Venture veterinary practices – other loans	**–**	0.5
Other investments	**3.0**	2.0
Other receivables	**5.4**	0.5
	15.0	10.9

Investments in Joint Venture veterinary practices

The Investments in Joint Venture veterinary practices balance of £2.7m (2024: £2.7m) comprises of two parts; nil (2024: £0.2m) represents the 'B' share capital in Joint Venture veterinary practice companies and £2.7m (2024: £2.5m) relates to capital contributions made to these companies for extensions and improvements to their practice residences. These investments are held at cost less impairment. In relation to the share, the fair values of investments in unlisted equity securities are considered to be their carrying value which is the cost to the Group on recognition, as the impact of discounting future cash flows has been assessed as not material and the investment is non-participatory. The share capital of the veterinary practice companies is split equally into 'A' Ordinary Shares (held by Joint Venture Partners) and 'B' Ordinary Shares (held by the Group). Any operational decisions require the agreement of the Joint Venture Partner. Under the terms of the agreements, the Group ('B' shareholder) is not entitled to any profits, losses or dividends, or any surplus on winding up or disposal, although it is entitled to appoint Directors to the Board and carry the same shareholder voting rights as 'A' ordinary shareholders. The agreements entitle the Group to receive income in relation to support services offered in such areas as clinical development, promotion and methods of operation as well as service activities including accountancy, legal and property.

Loans to Joint Venture veterinary practices – initial set up loans

Loans to Joint Venture veterinary practices of £3.9m (2024: £5.2m) are provided to Joint Venture veterinary practice companies trading under the Companion Care, Vets4Pets or VetsforPets brands, in which the Group's share interest is non-participatory. These loans support their initial set up and working capital, and are held at carrying value. Under the terms of the loans provided to veterinary companies trading under the Companion Care, Vets4Pets or VetsforPets brands the loans attract varying interest rates between 2% and 3%. There is no set date for repayment of the loans due to the Group. The balances are shown net of an expected credit loss ('ECL') of £0.4m (2024: £0.6m).

	Gross loan value £m	Expected credit loss £m	Carrying value of loan £m
As at 28 March 2024	5.8	(0.6)	5.2
Net repayment and further advances	(1.5)	–	(1.5)
Provisions released during the period	–	0.2	0.2
As at 27 March 2025	**4.3**	**(0.4)**	**3.9**

Analysis of expected credit loss by risk category

The following table presents an analysis of the credit risk and credit impairment of initial set up loans held at amortised cost. The loans are categorised performing, or in default in accordance with the policy set out in note 1.16. The loss allowance is calculated depending on the credit risk of each loan, the Group's expectations of future cash flow recoverability and practice age in accordance with the policy set out in note 1.16.

Credit risk	At 27 March 2025 £m	At 28 March 2024 £m
Performing	**1.3**	1.2
In default	**3.0**	4.6
Gross carrying amount	**4.3**	5.8
Loss allowance	**(0.4)**	(0.6)
Net carrying amount	**3.9**	5.2

The presentation of performing and in default loans have been revised to better align with the requirements of IFRS 9. Initial set up loans are considered in default if they cannot be settled within one day of year end. This has no impact on the estimated credit loss which is made based on the 10-year cash flow forecast.

Other investments

The balance of £3.0m (2024: £2.0m) relate to investments in Good Dog Food Limited ('Meatly') and Project Blu Limited as disclosed in Note 28. Other investments are initially and subsequently measured at FVTPL, with changes recognised in the profit or loss. The fair values of investments in unlisted equity securities are considered to be their carrying value.

Notes to the consolidated financial statements continued

16 Other financial assets and liabilities continued

Other receivables
Included within other receivables is £1.5m which represents deferred rebates paid to JV practices to support their rebrand and expansion. The rebate will be released as a deduction to fee income over a period of up to 10 years which represents the period of time the Group expects to receive economic benefits from enhanced fee income. Also included within other receivables is £3.7m which relates to sublet leases.

Derivative financial assets and liabilities
Derivative financial assets and liabilities are held at fair value through profit or loss.

	At 27 March 2025 £m	At 28 March 2024 £m
Current assets		
Fuel forward contracts	–	0.1
Forward exchange contracts	**0.2**	0.2
	0.2	0.3

Derivative financial liabilities

	At 27 March 2025 £m	At 28 March 2024 £m
Current liabilities		
Forward exchange contracts	**(1.7)**	(1.0)
	(1.7)	(1.0)

17 Trade and other receivables

	At 27 March 2025 £m	At 28 March 2024 £m
Current assets		
Trade receivables	**16.4**	13.9
Amounts owed by JV practices – funding for new practices	–	0.4
Amounts owed by Joint Venture veterinary practices – operating loans	**3.9**	5.8
Amounts owed by Joint Venture veterinary practices – trading balances	**14.3**	10.9
Other receivables	**2.6**	6.3
Prepayments	**9.9**	9.3
Accrued income	**16.2**	14.3
	63.3	60.9

Trade and other receivables
The carrying amount of trade and other receivables approximates to the fair value. Supplier income is included with trade and other receivables, this has been invoiced where there is no legal right to offset.

The Group applied the simplified approach under IFRS9 and default to lifetime expected credit loss based on historical data. The ECL is immaterial on the trade receivables balance for the 52 week period ended 27 March 2025 (52 week period ended 28 March 2024: £nil).

Amounts owed by Joint Venture veterinary practices
Amounts owed by Joint Venture veterinary practices represent trading balances and operating loans owed by Joint Venture veterinary practices to the Group.

The impairment of amounts owed by Joint Venture veterinary practices relating to trading balances are assessed in line with IFRS 9. As at 27 March 2025 and 28 March 2024, the impact of expected credit loss on these balances was deemed to be immaterial due to the short term nature of these balances and as such no provision has been made.

Operating loans are provided on a short-term monthly cycle to the extent that a practice requires additional funding above their external bank loan. Practices generate cash on a monthly basis which is applied to the repayment of brought forward operating loans. For immature practices, loan balances may increase due to operating requirements. Based on a projected cash flow forecast on a practice by practice basis, the funding is expected to be required for a number of years, however as cash is applied against opening loan balances, the Group's expectation is that the brought forward balance will be repaid in cash within 12 months. The loans have been classified as current on this basis and the Group has

Notes to the consolidated financial statements continued

17 Trade and other receivables continued

Amounts owed by Joint Venture veterinary practices continued
chosen not to charge interest on these balances, and they are initially recognised under IFRS9 at their nominal value as the effect of discounting the expected cash flows based on the effective interest rate at the market rate of interest is not material. The loans advanced to the practices are interest free and either repayable on demand or repayable within 90 days of demand. No facility exists and the levels of loans are monitored in relation to review of the practices' performance against business plan and a number of financial and non-financial KPIs in accordance with the policy set out in note 1.16.

For those practices in default, a credit impairment charge is recognised under IFRS9 taking into account the Group's expectations of future cash flow recoverability. For other practices, a credit impairment charge is recognised under IFRS9, taking into account both the probability of loss and the loss proportion given default.

The balances above are shown net of allowances for expected credit losses held for operating loans of £1.3m (2024: £3.0m). The basis for this allowance and the movement in the period is set out below.

	Gross loan value £m	Expected credit loss £m	Carrying value of loan £m
As at 28 March 2024	8.8	(3.0)	5.8
Loans written off	(1.7)	–	(1.7)
Net repayment and further advances	(1.9)	–	(1.9)
Utilisation of provision	–	0.9	0.9
Provisions made during the period	–	0.8	0.8
As at 27 March 2025	5.2	(1.3)	3.9

During the 52 week period ended 27 March 2025, £1.7m of operating loans which were deemed to be in default were written off in advance of the acquisition of the 'A' shares (52 week period ended 28 March 2024: £1.6m) which led to the control and consolidation of these practices. Further details of these acquisitions are provided in note 10.

The Group continues to work with a number of Joint Venture Partners, where the partners choose to follow the Group's recommendations on remediation plans aimed at improving practice performance. Further details regarding credit risk are provided in note 1.16.

The following table presents an analysis of the credit risk and credit impairment of operating loans held at amortised cost. Based on their future cash flow forecast, loans are categorised as performing or in default. The loss allowance is calculated in accordance with the policy set out in note 1.16, depending on the credit risk of each loan.

Credit risk	At 27 March 2025 £m	At 28 March 2024 restated £m
Performing	**–**	–
In default	**5.2**	8.8
Gross carrying amount	**5.2**	8.8
Loss allowance	**(1.3)**	(3.0)
Net carrying amount	**3.9**	5.8

The presentation of performing and in default loans have been revised to better align with the requirements of IFRS 9. Operating loans are considered in default if they cannot be settled within one day of year end. This has no impact on the estimated credit loss which is made based on the 10-year cash flow forecast.

Should forecast cash flows, as defined by the risk criteria in note 1.16, decrease by 0.5% over the 10-year time horizon, this would lead to an increase in the required provision for operating loans of £0.5m (28 March 2024: £0.8m). This sensitivity is considered by management to represent a reasonably possible range of estimation uncertainty, based on the variance in current trading performance within these Joint Venture veterinary practices. The factors which give rise to the estimation uncertainty include macro-economic and industry specific factors, including the level of industry growth, as well as gross margin percentages achieved within the industry, which contain a number of factors including the availability of suitably qualified veterinary personnel. Further details are provided in note 27.

Accrued income

Accrued income relates to income in relation to fees to Joint Venture veterinary practices and overrider and promotional income from suppliers which have not yet been invoiced. Accrued income is classified as current as it is expected to be invoiced and received within 12 months of the period end date. Supplier income is recognised on an accruals basis, based on the expected entitlement that has been earned up to the balance sheet date for each relevant supplier contract. As detailed in note 1.19, supplier income is recognised as a credit within gross margin to cost of sales and is outside of the scope of IFRS15. Further detail of the Group's revenue recognition policy is provided in note 1.19.

Notes to the consolidated financial statements continued

18 Cash and cash equivalents

	At 27 March 2025 £m	At 28 March 2024 £ m
Cash at bank	**39.5**	57.1

19 Other interest-bearing loans and borrowings

	At 27 March 2025 £m	At 28 March 2024 £m
Non-current liabilities		
Unsecured bank loans	8.1	22.2
Asset backed loans	18.6	21.1
Total	26.7	43.3

	At 27 March 2025 £m	At 28 March 2024 £m
Current liabilities		
Asset backed loans	4.7	2.2

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value at 27 March 2025 £m	Carrying amount at 27 March 2025 £m	Face value at 28 March 2024 £m	Carrying amount at 28 March 2024 £m
Revolving credit facility	GBP	SONIA +1.30%	2028	**10.0**	**8.1**	25.0	22.2
Asset backed loan	GBP	SONIA +1.50%	2030	**23.3**	**23.3**	23.3	23.3
Total				**33.3**	**31.4**	48.3	45.5

The drawn amount on the £300.0m revolving credit facility was £10.0m at 27 March 2025 (drawn amount on the £300.0m revolving credit facility was £25.0m at 28 March 2024) and this amount is reviewed each month. Interest is charged at SONIA plus a margin based on leverage on a pre-IFRS16 basis (adjusted net debt: EBITDA). The loan also has environmental, social and corporate governance (ESG) linked metrics which will be reflected in the margin payable, which is +/- 5bps. Face value represents the principal value of the revolving credit facility. The facility is unsecured.

On 27 March 2023, the Group entered into a loan agreement to fund the purchase of capital items. Interest is charged on the amount drawn at SONIA plus 1.5%. The loan will be repaid in monthly repayments from April 2025 until the loan matures on 27 March 2030.

Interest-bearing borrowings are recognised initially at fair value, being the principal value of the loan net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at a carrying value, which represents the amortised cost of the loans using the effective interest method.

The analysis of repayments on the loans is as follows:

	At 27 March 2025 £m	At 28 March 2024 £m
Within one year or repayable on demand	**4.7**	2.2
Between one and three years	**9.3**	8.6
Between three and five years	**19.3**	33.6
Greater than five years	**–**	3.9
	33.3	48.3

1 The presentation aging analysis has been revised to align with the aging buckets presented in note 23.

The £10.0m revolving credit facility at 27 March 2025 is held by the Company. The £23.3m of asset backed loan are held by Pets at Home Limited, a 100% owned subsidiary company.

The Group's policy with regard to interest rate risk is to hedge the appropriate level of borrowings by entering into fixed rate agreements where the Company forecast gross debt at the balance sheet date is no more than £100m, no interest rate hedging is required. Subsequently, as at 27 March 2025, there were no hedging derivatives held by the Group.

Notes to the consolidated financial statements continued

19 Other interest-bearing loans and borrowings continued

Analysis of changes in adjusted net cash

	At 28 March 2024 £m	Cash flow £m	Non-cash movement £m	At 27 March 2025 £m
Cash and cash equivalents	57.1	(17.6)	–	**39.5**
Debt due within one year	(2.2)	–	(2.5)	**(4.7)**
Debt due after one year	(46.1)	15.0	2.5	**(28.6)**
Adjusted net cash	8.8	(2.6)	–	**6.2**

20 Trade and other payables

	At 27 March 2025 £m	At 28 March 2024 £m
Current		
Trade payables	138.5	138.2
Accruals and deferred income	73.3	74.9
Amounts owed to Joint Venture veterinary practices	8.2	0.8
Other payables including tax and social security	35.6	35.3
	255.6	249.2

Amounts owed to Joint Venture veterinary practices that relate to trading balances are interest free and repayable on demand.

Within accruals and deferred income above, contract liabilities under IFRS15 of £0.4m (2024: £0.4m) relate to advanced consideration received from customers in relation to gift vouchers, cards and points redeemable by charities. This revenue will be recognised as the vouchers, cards and points are redeemed, which is expected to be over the next two years from the balance sheet date.

Within accruals above, contract liabilities under IFRS15 of £1.8m (2024: £1.3m) relate to advanced consideration received from customers in relation to online orders which have not yet been delivered. This revenue will be recognised as the online orders are delivered to customers, which is expected to be in less than one week from the balance sheet date.

21 Provisions

	Dilapidation provision £m	Closed stores provision £m	Provisions for exit and closure costs relating to Joint Venture veterinary practices £m	Provision for exit and closure costs relating to legacy Distribution Centres £m	Total £m
Balance at 28 March 2024	4.2	0.1	4.5	3.9	12.7
Provisions made during the period	0.7	0.1	0.8	1.6	3.2
Provisions utilised during the period	(1.2)	–	(1.5)	(3.5)	(6.2)
Provisions released	(0.3)	–	–	–	(0.3)
Reclassify to other creditors	–	–	–	(0.4)	(0.4)
Balance at 27 March 2025	**3.4**	**0.2**	**3.8**	**1.6**	**9.0**

	At 27 March 2025 £m	At 28 March 2024 £m
Current	**5.1**	7.6
Non-current	**3.9**	5.1
	9.0	12.7

As at 28 March 2024, the Group had a provision of £1.4m for voluntary redundancies for colleagues employed at legacy Distribution Centres and a provision of £2.5m for retention bonuses payable to colleagues who remain from the previous Distribution Centres provided they remain employed by the Group until the remaining sites close. £3.5m was paid out during the year and the remaining provision of £0.4m has been reclassified to other creditors as at 27 March 2025. The remaining provision relates to property costs associated with lease of the legacy Distribution Centres which expires in March 2026. Further information is provided in note 3.

The closed stores provision relates to the rates, service charge and utilities payable on vacant stores. The timing of the utilisation of these provisions is variable dependent upon the lease expiry dates of the properties concerned, which vary between one and three years. Market conditions have an impact and hence the assumptions on future cash flows are reviewed regularly and revisions to the provision made where necessary.

Notes to the consolidated financial statements continued

21 Provisions continued

The dilapidations provision relates to the expected cost of repairs on leased properties at future lease expiry dates, all of which are expected to be within 2 years of the 52 weeks ending 27 March 2025, therefore the provision is not discounted. The timing of the utilisation of these provisions is variable depending on the expiry dates of the property leases concerned.

The provisions for exit and closure costs relating to Joint Venture veterinary practices relate to expenses for any Joint Venture veterinary practices that the Group has bought out or has offered to buy out from Joint Venture Partners, and therefore which have been provided for under IAS37. The timing of the utilisation of these provisions is variable dependent upon the lease expiry dates of the properties concerned, which vary between 2 and 13 years. Market conditions have a significant impact and hence the assumptions on future cash flows are reviewed regularly and revisions to the provision made where necessary.

22 Capital and reserves

Share capital

	Share capital Number	Share capital £m
At 30 March 2023	483,197,785	4.8
At 28 March 2024	467,911,542	4.7
At 27 March 2025	**459,491,054**	**4.6**

In the 52 week period ended 27 March 2025, the Company bought back and cancelled 8,420,488 (1.8%) Ordinary Shares for total consideration including stamp duty of £25.1m, at an average market value of 297 pence per share.

	Share capital 27 March 2025 £m	Share capital 28 March 2024 £m
At beginning of period	**4.7**	4.8
Nominal value of shares cancelled in year following purchase by the Group	**(0.1)**	(0.1)
On issue at period end – authorised	**4.6**	4.7

In the 52 week period ended 28 March 2024, the Company bought back and cancelled 15,286,243 (3.2%) Ordinary Shares for total consideration including stamp duty of £50.3m, at an average market value of 327 pence per share.

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Consolidation and Merger reserves

The consolidation reserve and the merger reserve arose as a result of the creation of Pets at Home Group Plc and its purchase of the existing group of companies as part of the Initial Public Offering in 2014. As part of the IPO, a number of shares in Plc were issued in exchange for various instruments or cash. The premium arising on the issue was allocated between the share premium and merger reserve. A consolidation reserve was also created which reflected the difference between Plc reserves and the consolidated equity of PAH Lux S.a.r.l as part of the IPO in 2014.

Capital redemption reserve

The capital redemption reserve comprised the par value of the 8.4m (2024:15.3m) shares purchased and cancelled as part of the share buyback programme completed in the 52 week period ended 27 March 2025.

Translation reserve

The translation reserve comprises all foreign exchange differences arising since 21 November 2011, the date of incorporation of Pets at Home Asia Ltd where the functional currency differs from that of the rest of the Group.

Cash flow hedging reserve

The cash flow hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Included within the Group retained earnings is the Pets at Home Employee Benefit Trust ('EBT'). The EBT purchases shares to fund the share option schemes. As at 27 March 2025, the EBT held 5,670,000 Ordinary Shares (2024: 5,564,701) with a cost of £20,268,243 (2024: £20,300,288). The average purchase value of these shares as at 27 March 2025 was 357.5 pence per share (2024: 364.8 pence per share).

Notes to the consolidated financial statements continued

22 Capital and reserves continued

Other comprehensive income

27 March 2025

	Translation reserve £m	Cash flow hedging reserve £m	Total other comprehensive income £m
Other comprehensive income	–	–	–
Effective portion of changes in fair value of cash flow hedges	–	**0.6**	**0.6**
Net change in fair value of cash flow hedges reclassified to profit or loss	–	0.1	0.1
Total other comprehensive income	–	**0.7**	**0.7**

28 March 2024

	Translation reserve £m	Cash flow hedging reserve £m	Total other comprehensive income £m
Other comprehensive income	–	–	–
Effective portion of changes in fair value of cash flow hedges	–	3.3	3.3
Net change in fair value of cash flow hedges reclassified to profit or loss	–	1.3	1.3
Deferred tax on changes in fair value of cash flow hedges	–	(0.3)	(0.3)
Total other comprehensive income	–	4.3	4.3

23 Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

Risk management framework

Risk management in respect of financial risk is carried out by the Group Treasury function under policies approved by the Board of Directors. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board provides written principles through its Group Treasury Policy for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The main objectives of the Group Treasury function are:

- To ensure shareholder and management expectations are managed on cash flow and earnings volatility resulting from financial market movements;
- To protect the expected cash flow and earnings from interest rate and foreign exchange fluctuations to within parameters acceptable to the Board and shareholders; and
- To control banking costs and service levels.

Market risk

Foreign currency risk

The Group sources a significant level of purchases in foreign currency, in the region of US$110m each financial year, and monitors its foreign currency requirements through short, medium and long-term cash flow forecasting. The value of purchases in US dollars fluctuates each year and the risk management policy has evolved with this increased risk.

At 27 March 2025, the Group's policy is to hedge up to 95% of the next 12 months and additionally up to 60% of the following six months out to 18 months forecast foreign exchange transactions, using foreign currency bank accounts and forward foreign exchange contracts. The transactions are deemed to be 'highly probable' and are based on historical knowledge and forecast purchase and sales projections.

The Group's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments, except for derivatives which are based on notional amounts:

27 March 2025

	Euro £m	US Dollar £m	HKD £m	Total £m
Cash and cash equivalents	**1.1**	–	–	**1.1**
Trade payables	**(2.4)**	**(4.1)**	–	**(6.5)**
Forward exchange contracts	–	**(1.5)**	–	**(1.5)**
Balance sheet exposure	**(1.3)**	**(5.6)**	–	**(6.9)**

Notes to the consolidated financial statements continued

23 Financial instruments continued

Market risk continued

Foreign currency risk continued

28 March 2024

	Euro £m	US Dollar £m	HKD £m	Total £m
Cash and cash equivalents	0.4	6.1	–	6.5
Trade payables	(2.8)	(3.2)	–	(6.0)
Forward exchange contracts	(0.2)	(0.6)	–	(0.8)
Balance sheet exposure	(2.6)	2.3	–	(0.3)

Sensitivity analysis

A 5% weakening of the following currencies against the pound sterling at the period end date in both years would have increased profit or loss or equity by the amounts shown below. This calculation is post the impact of hedging and assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant.

	Equity		Profit or loss	
	27 March 2025 £m	28 March 2024 £m	27 March 2025 £m	28 March 2024 £m
US Dollar	**0.1**	–	**0.2**	(0.1)
Euro	**–**	–	**0.1**	0.1

A 5% strengthening of the above currencies against the pound sterling in any period would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings. As at 27 March 2025 the Group had a revolving credit facility with a face value totalling £10.0m (2024: £25.0m) and an asset backed loan with a face value of £23.3m (2024: £23.3m). The Group's borrowings as at 27 March 2025 incur interest at a rate of 1.3% to 1.5% plus SONIA at the leverage prevalent in the period, which exposes the Group to cash flow interest rate risk. The analysis of loan repayments is detailed in note 19.

The Group's policy with regard to interest rate risk is to hedge the appropriate level of borrowings by entering into fixed rate agreements. As at 27 March 2025, the Group held no fixed rate swap agreements since the forecast level of outstanding debt for the next year was below the de-minimis hedging requirements as set out in the Group's Treasury Policy. In the 52 week period ended 28 March 2024, the Group had fixed interest rate swap agreements covering £50.0m of senior facility borrowing at a blended fixed rate of 5.058% which expired in September 2024. The hedging structure as at 28 March 2024 was to hedge at least 70% of the forecast outstanding debt for the next year.

Profile

At the balance sheet date the interest rate profile of the Group's interest-bearing financial instruments was:

	Book value At 27 March 2025 £m	Book value At 28 March 2024 £m
Fixed rate instruments		
Financial liabilities	**–**	48.3
Variable rate instruments		
Financial liabilities	**33.3**	–
Total financial liabilities	**33.3**	48.3

All borrowings bear a variable rate of interest based on SONIA. Subject to a de-minimis level, the Group policy is to hedge at least 70% of forecast loan balances. As at 27 March 2025, there were no interest rate swaps in place. As at 28 March 2024, fixed rate instrument above related to the portion of the loan hedged by a fixed rate interest rate swap.

Sensitivity analysis

A change of 50 basis points in interest rates at the period end date would have increased/(decreased) profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates, financial instruments at fair value through profit or loss. The analysis is performed on the same basis for the comparative period.

Notes to the consolidated financial statements continued

23 Financial instruments continued

Interest rate risk continued

Sensitivity analysis continued

	At 27 March 2025 £m	At 28 March 2024 £m
Equity		
Increase	–	0.1
Decrease	–	(0.1)
Profit or loss		
Increase	**0.2**	0.1
Decrease	**(0.2)**	(0.1)

Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, investment securities and operating loans to Joint Venture veterinary practices.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. The Group ensures that the banks used for the financing of the revolving credit facilities and interest rate swap agreements have investment-grade credit ratings.

The Group has in place certain guarantees over the bank loans taken out by a number of Joint Venture veterinary practice companies in which it holds an investment. Further details of these guarantees are disclosed in note 27. The performance of the Joint Venture veterinary practice companies is reviewed on an ongoing basis.

Exposure to credit risk

The Group's maximum exposure to credit risk, being the carrying amount of financial assets, is summarised in the table within the fair values section below.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Management prepares and monitors rolling forecasts of the Group's cash balances based on expected cash flows to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without risking damage to the Group's reputation. Covenants are monitored on a regular basis to ensure there is no risk or breach which would lead to an 'Event of Default' and compliance certificates are issued as required to the syndicate agent.

The following are the contractual maturities of financial liabilities including estimates of interest payable based on SONIA rates at the end of the financial period:

Group

27 March 2025

	Carrying amount £m	Contractual cash flows £m	1 year or less £m	1 to <3 years £m	3 to <5 years £m	5 years and over £m
Non-derivative financial liabilities						
Bank loans (note 19)	**31.4**	**33.3**	**4.7**	**9.3**	**19.3**	**–**
Trade payables (note 20)	**138.5**	**138.5**	**138.5**	**–**	**–**	**–**
Lease liabilities (note 12)	**348.3**	**400.0**	**78.5**	**124.9**	**77.8**	**118.8**
Amounts owed to joint ventures veterinary practices (note 20)	**8.2**	**8.2**	**8.2**	**–**	**–**	**–**
	526.4	**580.0**	**229.9**	**134.2**	**97.1**	**118.8**

28 March 2024

	Carrying amount £m	Contractual cash flows £m	1 year or less £m	1 to <3 years £m	3 to <5 years £m	5 years and over £m
Non-derivative financial liabilities						
Bank loans (note 19)	45.5	48.3	2.2	8.6	33.6	3.9
Trade payables (note 20)	138.2	138.2	138.2	–	–	–
Lease liabilities (note 12)[1]	380.8	439.3	79.8	133.9	86.1	139.5
Amounts owed to joint ventures veterinary practices (note 20)[1]	0.8	0.8	0.8	–	–	–
	565.3	626.6	221.0	142.5	119.7	143.4

1 The presentation of non-derivative financial liabilities has been revised to include lease liabilities and amounts owed to joint venture veterinary practices. The ageing of the buckets have been revised to align with the presentation in note 12 and note 19.

Notes to the consolidated financial statements continued

23 Financial instruments continued

Liquidity risk and cash flow hedges

Cash flow hedges

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur and to affect profit or loss:

Group

27 March 2025

	Carrying amount £m	Expected cash flows £m	1 year or less £m	1 to <2 years £m	2 to <5 years £m	5 years and over £m
Forward exchange contracts:						
Current liabilities (note 16)	**(1.7)**	**(1.7)**	**(1.7)**	–	–	–
	(1.7)	**(1.7)**	**(1.7)**	–	–	–

28 March 2024

	Carrying amount £m	Expected cash flows £m	1 year or less £m	1 to <2 years £m	2 to <5 years £m	5 years and over £m
Forward exchange contracts:						
Current liabilities (note 16)	(1.0)	(1.0)	(1.0)	–	–	–
	(1.0)	(1.0)	(1.0)	–	–	–

Fair values of financial instruments

Investments

The fair values of investments are considered to be their carrying value as the impact of discounting future cash flows has been assessed as not material and the investment is non-participatory.

Trade and other payables and receivables

The fair values of these items are considered to be their carrying value as the impact of discounting future cash flows has been assessed as not material.

Cash and cash equivalents

The fair value of cash and cash equivalents is its carrying amount where the cash is readily available. The fair value of short term deposits approximates to the carrying amount because of the short maturity of these instruments.

Amounts owed to Joint Ventures

The fair value of amounts owed to Joint Ventures are considered to be their carrying value as the impact of discounting future cash flows has been assessed as not material.

Long term and short term borrowings

The fair value of bank loans and other loans approximates their carrying value as they have interest rates based on SONIA. The impact of credit risk has an immaterial impact on the fair value.

Short term deposits

The fair value of short term deposits is considered to be their carrying value as the balances are held in floating rate accounts where the interest rate is reset to market rates.

Derivative financial instruments

The fair values of forward exchange contracts and interest rate swap contracts are calculated by management based on external valuations received from the Group's bankers and are based on forward exchange rates and anticipated future interest yield respectively.

Fair values

The fair values of all financial assets and financial liabilities by class together with their carrying amounts shown in the balance sheet are as follows:

Fair value hierarchy

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Notes to the consolidated financial statements continued

23 Financial instruments continued

Fair values of financial instruments continued

Fair value hierarchy continued

The following tables show the fair values and carrying amounts of financial assets and liabilities as well as their fair value hierarchy. The tablets do not include fair value detail for financial assets and liabilities not measured at fair value if their carrying value is a reasonable approximation of fair value.

27 March 2025

Carrying amount	Fair value – hedging instruments £m	FVTPL – equity instruments £m	Financial assets at amortised cost £m	Other financial liabilities £m	Total carrying amount £m
Financial assets measured at fair value					
Other investments (note 16)	–	3.0	–	–	3.0
Forward exchange contracts used for hedging (note 16)	0.2	–	–	–	0.2
	0.2	3.0	–	–	3.2
Financial assets not measured at fair value					
Investments in Joint Venture veterinary practices (note 16)	–	–	2.7	–	2.7
Current trade and other receivables (note 17)	–	–	19.0	–	19.0
Amounts owed by Joint Venture veterinary practices – funding, trading and operating loans (note 17)	–	–	18.2	–	18.2
Cash and cash equivalents (note 18)	–	–	39.5	–	39.5
Loans to Joint Venture veterinary practices – initial set up loans (note 16)	–	–	3.9	–	3.9
Current other receivables (note 16)	–	–	0.3	–	0.3
Non-current other receivables (note 16)	–	–	5.6	–	5.6
	–	–	89.2	–	89.2
Financial liabilities measured at fair value					
Forward exchange contracts used for hedging (note 16)	(1.7)	–	–	–	(1.7)
	(1.7)	–	–	–	(1.7)
Financial liabilities not measured at fair value					
Current lease liabilities (note 12)	–	–	–	(78.5)	(78.5)
Non-current lease liabilities (note 12)	–	–	–	(269.8)	(269.8)
Trade payables (note 20)	–	–	–	(138.5)	(138.5)
Amounts owed to Joint Venture veterinary practices (note 20)	–	–	–	(8.2)	(8.2)
Other interest-bearing loans and borrowings (note 19)	–	–	–	(31.4)	(31.4)
	–	–	–	(526.4)	(526.4)

27 March 2025

Fair value	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets and liabilities measured at fair value				
Other investments (note 16)	–	–	3.0	3.0
Forward exchange contracts used for hedging (note 16)	–	0.2	–	0.2
Financial liabilities measured at fair value				
Forward exchange contracts used for hedging (note 16)	–	(1.7)	–	(1.7)

Notes to the consolidated financial statements continued

23 Financial instruments continued

Fair values of financial instruments continued

Fair value hierarchy continued

28 March 2024

Carrying amount	Fair value – hedging instruments £m	FVTPL – equity instruments £m	Financial assets at amortised cost £m	Other financial liabilities £m	Total carrying amount £m
Financial assets measured at fair value					
Other investments (note 16)	–	–	2.0	–	2.0
Forward exchange contracts used for hedging (note 16)	0.2	–	–	–	0.2
Fuel forward contracts used for hedging (note 16)	0.1	–	–	–	0.1
	0.3	–	2.0	–	2.3
Financial assets not measured at fair value					
Investments in Joint Venture veterinary practices (note 16)	–	–	2.7	–	2.7
Current trade and other receivables (note 17)	–	–	20.2	–	20.2
Amounts owed by Joint Venture veterinary practices – funding, trading and operating loans (note 17)	–	–	17.1	–	17.1
Cash and cash equivalents (note 18)	–	–	57.1	–	57.1
Loans to Joint Venture veterinary practices – initial set up loans (note 16)	–	–	5.2	–	5.2
Loans to Joint Venture veterinary practices – other loans (note 16)	–	–	0.5	–	0.5
Non-current other receivables (note 16)	–	–	0.5	–	0.5
	–	–	103.3	–	103.3
Financial liabilities measured at fair value					
Fuel forward exchange contracts used for hedging (note 16)	–	–	–	–	–
Forward exchange contracts used for hedging (note 16)	(1.0)	–	–	–	(1.0)
Interest rate swaps used for hedging (note 16)	–	–	–	–	–
	(1.0)	–	–	–	(1.0)
Financial liabilities not measured at fair value					
Current lease liabilities (note 12)	–	–	–	(79.8)	(79.8)
Non-current lease liabilities (note 12)	–	–	–	(301.0)	(301.0)
Trade payables (note 20)	–	–	–	(138.2)	(138.2)
Amounts owed to Joint Venture veterinary practices (note 20)	–	–	–	(0.8)	(0.8)
Other interest-bearing loans and borrowings (note 19)	–	–	–	(45.5)	(45.5)
	–	–	–	(565.3)	(565.3)

28 March 2024

Fair value	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets measured at fair value				
Other investments (note 16)	–	–	2.0	2.0
Forward exchange contracts used for hedging (note 16)	–	0.2	–	0.2
Fuel forward exchange contracts used for hedging (note 16)	–	0.1	–	0.1
Interest rate swaps used for hedging (note 16)	–	–	–	–
Forward exchange contracts used for hedging (note 16)	–	(1.0)	–	(1.0)

Notes to the consolidated financial statements continued

23 Financial instruments continued

Measurement of fair values

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values at the balance sheet dates, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts and interest rate swaps	Market comparison technique – the fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions on similar instruments.	Not applicable	Not applicable
Other investments	The fair values of investments are considered to be their carrying value.	Forecasted cashflows. Any changes to the unobservable input would have an immaterial impact on the valuation.	Not applicable

Changes in liabilities arising from financing activities

Group

	Loans and borrowings £m	Lease liabilities £m	Total £m
Balance at 28 March 2024 (note 12,19)	45.5	380.8	426.3
Changes from financing cash flows			
Repayment of borrowings	(15.0)	–	(15.0)
Interest payment of borrowings	(4.7)	–	(4.7)
Payment of lease liabilities	–	(79.7)	(79.7)
Total changes from financing cash flows	(19.7)	(79.7)	(99.4)
Other changes			
Interest expense on lease liabilities (note 7)	–	13.2	13.2
Interest expense on borrowings (note 7)	4.7	–	4.7
Amortisation of debt issue costs (note 7)	0.8	–	0.8
Additions to lease liabilities	–	34.0	34.0
Movement on accrued interest	0.1	–	0.1
Total other changes	5.6	47.2	52.8
Balance at 27 March 2025	31.4	348.3	379.7

Notes to the consolidated financial statements continued

23 Financial instruments continued

Changes in liabilities arising from financing activities continued

	Loans and borrowings £m	Lease liabilities £m	Total £m
Balance at 30 March 2023	120.5	421.4	541.9
Changes from financing cash flows			
Repayment of borrowings	(75.0)	–	(75.0)
Interest payment of borrowings	(3.2)	–	(3.2)
Payment of lease liabilities	–	(81.7)	(81.7)
Total changes from financing cash flows	(78.2)	(81.7)	(159.9)
Other changes			
Interest expense on lease liabilities (note 7)	–	13.3	13.3
Interest expense on borrowings (note 7)	3.5	–	3.5
Amortisation of debt issue costs	0.8	–	0.8
Additions to lease liabilities	–	29.8	29.8
Disposal of lease liabilities	–	(2.0)	(2.0)
Capitalisation of debt issue costs	(0.9)	–	(0.9)
Movement on accrued interest	(0.2)	–	(0.2)
Total other changes	3.2	41.1	44.3
Balance at 28 March 2024	45.5	380.8	426.3

	Cash flow hedge reserve	
	2025 £m	2024 £m
Foreign currency risk		
Inventory purchases	(1.1)	(0.6)
Commodity price risk		
Fuel purchases	–	0.1

	Commodity price risk		Foreign currency risk		Interest rate risk	
	Forward exchange contracts- fuel		Forward exchange contracts- inventory		Interest rate swaps	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Nominal amount						
Carrying amount – asset (note 16)	**–**	0.1	**0.2**	0.2	**–**	–
Carrying amount – liability (note 16)	**–**	–	**(1.7)**	(1.0)	**–**	–
Changes in the value of hedging instrument recognised in OCI						
Amount of hedging reserve transferred to cost of inventory	**–**	–	**(1.6)**	(3.3)	**–**	–
Net change in fair value of cash flow hedges reclassified to profit or loss	**0.1**	(0.3)	**–**	–	**–**	1.6

Notes to the consolidated financial statements continued

23 Financial instruments continued

Changes in liabilities arising from financing activities continued

The following table provides a reconciliation by risk category of hedging reserve and analysis of OCI items, net of tax, resulting from cash flow hedging accounting:

	27 March 2025 £m	28 March 2024 £m
Balance brought forward	**(0.5)**	(1.6)
Changes in fair value		
Foreign currency risk – inventory purchase	**(0.7)**	2.6
Commodity risk – fuel	**(0.1)**	0.4
Interest rate risk	**–**	(1.6)
Tax on movements on reserves during the year	**0.2**	(0.3)
Balance carried forward	**(1.1)**	(0.5)

Hedge accounting

Cash flow hedges

At 27 March 2025 and 28 March 2024, the Group held the following instruments to hedge exposures to changes in foreign currency. There were no instruments in relation to interest rate swaps as at 27 March 2025.

	Maturity			
	1-6 months 2025	6-12 months 2025	1-6 months 2024	6-12 months 2024
Foreign currency risk				
Forward exchange contracts				
Net exposure (£m)	**51.4**	**33.0**	50.4	29.1
Average GBP-USD forward contract rate	**1.28**	**1.27**	1.24	1.27
Average GBP-EUR forward contract rate	**1.19**	**1.19**	1.14	1.16
Interest rate risk				
Interest rate swaps				
Net exposure (£m)	**–**	**–**	50.0	–
Average fixed interest rate	**–**	**–**	5.06%	–

Capital management

The Group's objectives when managing capital, which is deemed to be total equity plus total debt, are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, through the optimisation of the debt and equity balance, and to maintain a strong credit rating and headroom on financial covenants. The Group manages its capital structure and makes appropriate decisions in light of the current economic conditions and strategic objectives of the Group.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Group. The funding requirements of the Group are met by the utilisation of external borrowings together with available cash, as detailed in note 19.

A key objective of the Group's capital management is to maintain compliance with the covenants set out in the revolving credit facility and to maintain a comfortable level of headroom over and above these requirements. Management have continued to measure and monitor covenant compliance throughout the period and the Group has complied with the requirements set.

Notes to the consolidated financial statements continued

24 Share-based payments

At 27 March 2025 and 28 March 2024, the Group has four share award plans, all of which are equity settled schemes.

1 Company Share Ownership Plan ('CSOP')

On 25 February 2014 the Company adopted the CSOP. Part I of the CSOP is tax approved under Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 and provides for the grant of tax approved options. Part II of the CSOP provides for the grant of unapproved options.

The tax approved options under Part I of the CSOP will be exercisable between the third and tenth anniversary of the date of grant, subject to continued employment with the Group. These awards will be granted with an exercise price equal to the market value of the shares at the grant date (as agreed with HMRC).

(a) Eligibility

All colleagues, including the Executive Directors and Senior Executives, are eligible to participate in the CSOP, at the discretion of the Remuneration Committee.

(b) Grant of options

No options may be granted more than ten years after the adoption of the CSOP. Options under the CSOP will not form part of a colleague's pensionable earnings.

(c) Vesting and performance

Colleagues who receive options under the CSOP and under the PSP in connection with Admission will be subject to the same performance conditions described in Section 1 (d) above in respect of both grants. Colleagues who only receive options under the CSOP in connection with Admission will not be subject to performance conditions.

(d) Exercise price

The price at which an option holder may acquire shares on the exercise of an option shall be determined by the Board but shall not be less than the greater of market value of a share at the time of grant and its nominal value. The exercise price is therefore fixed at grant date.

(e) Individual limits

No option may be granted to an eligible colleague under Part I of the CSOP which would result in the aggregate exercise prices of shares comprised in all outstanding options granted to him/her under Part I, when aggregated with outstanding options held under any other tax approved executive share option scheme established by the Company, exceeding the tax approved limit (currently £30,000).

In addition, (both under Part I and II of the CSOP) the aggregate exercise price of shares comprised in options granted to a colleague under the CSOP and the PSP in any financial year shall not exceed 150% of his/her annual salary for that year.

For the purposes of these limits, market value will be calculated by reference to the market value of the shares on or prior to the relevant date of grant as determined by the Board (following consultation with the Remuneration Committee) and subject to HMRC approval if applicable.

Part II of the CSOP provides for the grant of unapproved options. This enables options to be granted under the same terms as Part I of the CSOP but without complying with the particular requirements of the legislation applicable to tax approved CSOP Schemes. The provisions of the CSOP that do not apply under Part II include the £30,000 limit and the need to seek HMRC approval for the scheme and subsequent amendments (as applicable).

2 Save As You Earn ('SAYE')

On 25 February 2014, the Company adopted the SAYE (which was registered with and self-certified with HMRC on 4 April 2015). The rules of the SAYE were adopted pursuant to Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003 and provide for the grant of tax approved options. In September each year, the Company issues invitations under the rules of the SAYE which provides eligible colleagues with an opportunity to receive share options at a 20% discount to the market price. The maximum monthly savings is £500 per month. During the 52 weeks ending 27 March 2025, the Executive Directors have elected to participate in the SAYE, along with 9.73% of eligible colleagues.

The options are granted once a year, and in normal circumstances they are not exercisable until completion of a savings period, beginning on 1 December each year, and will then be exercisable for a period of six months following completion of the relevant savings period.

(a) Eligibility

All colleagues and full-time Directors of the Group, who have been in continuous service for such period of time (not exceeding five years) as may be determined by the Board prior to the relevant date of grant of an option and who are liable to UK income tax, are eligible to participate in the SAYE.

Participation may also be offered, at the discretion of the Board (taking account of the recommendations of the Remuneration Committee), to other Directors or employees who otherwise do not satisfy all of the above criteria, although Non-Executive Directors are not eligible to participate in the SAYE.

(b) Issue of invitations

Invitations to participate in the SAYE may be made during each 42 day period from (and including) (i) the date on which any amendment to the SAYE is approved or adopted by the Company's shareholders, (ii) the announcement of the Company's final or interim results for any financial period, (iii) the occurrence of an event which the Remuneration Committee considers to be an non-underlying event concerning the Group or (iv) changes to the legislation affecting tax approved SAYE option schemes coming into effect. If any of the above periods is a 'close period' as a result of the application of the Model Code for Securities Transactions by Directors of Listed Companies (or as a result of the Company's equivalent internal share dealing rules) and the Company is prohibited from issuing invitations and/or granting options as a result, then invitations may be made within 42 days of the end of the close period.

Notes to the consolidated financial statements continued

24 Share-based payments continued

2 Save As You Earn ('SAYE') continued

(b) Issue of invitations continued

Invitations may be issued by the trustee of an employee benefit trust. No invitations may be issued or options granted more than ten years after the adoption of the SAYE.

(c) Exercise price

The price at which an option holder may acquire shares on the exercise of an option shall be determined by the Board but shall not be less than the greater of 80% of the market value of a share at the time of grant and its nominal value.

(d) Savings contract

Options may be granted by the Board or the trustee of an employee benefit trust. Upon applying for an option, the colleague will be required to enter into an approved savings contract with a savings institution nominated by the Company which lasts for three years. The maximum amount which an employee is permitted to contribute under SAYE contracts is £500 per month. The Board may set lower savings limits than this for different colleagues by reference to objective criteria such as levels of salary or length of service. The minimum contribution is £5 per month (or such greater amount as the Board may specify, not to exceed £10). The total exercise price of the shares over which the option is granted may not exceed the aggregate of the monthly contributions and bonus payable at the end of the colleague's related SAYE contract.

(e) Scheme limits

The number of newly issued shares over which (or in respect of which) options may be granted under the SAYE on any date of grant shall be limited so that the total number of shares issued or capable of being issued in any ten year period under all the Company's employee share schemes (including the CSOP, PSP and RSA but other than to satisfy dividend equivalent payments) is restricted to 10% of the Company's issued shares calculated at the relevant time. Any options or rights to acquire shares granted before, on or in connection with Admission will be excluded from this limit, and no account will be taken of options or awards which have lapsed, been surrendered or otherwise become incapable of exercise or vesting.

(f) Exercisability

Options will normally be exercisable during a period of six months following the allocation of a bonus under the related SAYE contract and will normally lapse upon cessation of employment. Earlier exercise is, however, permitted if the colleague dies or leaves employment through injury, disability, redundancy or retirement or where a colleague leaves employment of the Group by reason of his employing company ceasing to be a member of the Group, or if the undertaking in which he is employed is sold outside the Group. Early exercise will also be permitted in the event of a takeover, reconstructions or voluntary winding up of the Company.

3 Restricted Stock Plan ('RSA')

On 20 July 2017 the Company adopted the RSA. Awards under the RSA were made on 20 July 2017 and annually thereafter and will be exercisable between the third and tenth anniversary of this date, subject to continued employment with the Group and the satisfaction of performance conditions. These awards are granted at nil cost.

(a) Eligibility

All colleagues, including the Executive Directors and Senior Executives, are eligible to participate in the RSA, at the discretion of the Remuneration Committee.

(b) Grant of awards

Awards under the RSA will not form part of a colleague's pensionable earnings. Awards are not transferable (other than on death) without the consent of the Remuneration Committee.

(c) Exercise price

The price at which a colleague may acquire shares on the exercise or vesting of an award under the RSA shall be determined by the Remuneration Committee on the date of grant, and may, if the Remuneration Committee determines, be nil or nominal value only.

(d) Scheme limits

The number of newly issued shares over which (or in respect of which) awards may be granted under the RSA on any date shall be limited so that: (i) the total number of shares issued and issuable in respect of options or awards granted in any ten year period under the RSA and any other discretionary share option scheme of the Company (including the PSP and the CSOP but other than to satisfy dividend equivalent payments) is restricted to 5% of the Company's issued shares calculated at the relevant time; and (ii) the total number of shares issued and issuable pursuant to options or awards granted in any ten year period under the RSA and any other employee share scheme operated by the Company (including the CSOP, SAYE and PSP but other than to satisfy dividend equivalent payments) is restricted to 10% of the Company's issued shares calculated at the relevant time.

For the purposes of these limits, no account will be taken of options or awards granted before, on or in connection with Admission and no account will be taken of options or awards which have lapsed, been surrendered or otherwise become incapable of exercise or vesting. Shares held in treasury will be treated as newly issued shares for the purposes of these limits (as long as this is required by institutional investor guidelines), but (for the avoidance of doubt) shares acquired in the market will not.

(e) Individual limits

The aggregate market value of shares comprised in awards granted to a colleague under the RSA, PSP and the CSOP in any financial year shall not exceed 150% of their annual salary for that year. Market value for these purposes will be calculated by reference to the market value of the shares on the relevant date of grant as determined by the Board (following consultation with the Remuneration Committee) in its absolute discretion.

Notes to the consolidated financial statements continued

24 Share-based payments continued

3 Restricted Stock Plan ('RSA') continued

(e) Individual limits continued

Fair value of share awards

The expected volatility is based on historical volatility of a peer group of companies over a relevant period prior to award. The expected life is the average expected period to exercise, which has been taken as three years. The risk free rate of return is the yield on zero-coupon UK government bonds with a life equal to this expected life.

Options are valued using a Black-Scholes option-pricing model for the non-market based (EPS element) performance conditions and a Monte-Carlo simulation for the market-based (TSR element) performance conditions.

Special provisions allow early exercise in the case of death, injury, disability, redundancy, retirement or because the Company which employs the option holder ceases to be part of the Group or in the event of a change in control, reconstruction or winding up of the Company.

4 Deferred Share Bonus Plan ('DSBP')

On 24 March 2022 the Company adopted the DSBP. Awards under the DSBP represent the deferral of the discretionary bonus awarded to eligible colleagues into shares. Awards under the DSBP will be exercisable between the second anniversary of the first day following the end of the Year in respect of which the Bonus in question is earned or would have been earned notwithstanding that it was deferred and the tenth anniversary of the Date of Grant. These awards are granted at nil cost.

(a) Eligibility

All colleagues, including the Executive Directors and Senior Executives, are eligible to participate in the DSBP, at the discretion of the Remuneration Committee.

(b) Grant of awards

Awards under the DSBP will not form part of a colleague's pensionable earnings. Awards are not transferable (other than on death) without the consent of the Remuneration Committee.

(c) Exercise price

The price at which a colleague may acquire shares on the exercise or vesting of an award under the DSBP shall be determined by the Remuneration Committee on the date of grant, and may, if the Remuneration Committee determines, be nil or nominal value only.

(d) Scheme limits

The number of newly issued shares over which (or in respect of which) awards may be granted under the DSBP on any date shall be limited so that: (i) the total number of shares issued and issuable in respect of options or awards granted in any ten year period under the DSBP and any other discretionary share option scheme of the Company (including the PSP and the CSOP but other than to satisfy dividend equivalent payments) is restricted to 5% of the Company's issued shares calculated at the relevant time; and (ii) the total number of shares issued and issuable pursuant to options or awards granted in any ten year period under the DSBP and any other employee share scheme operated by the Company (including the CSOP, SAYE and PSP but other than to satisfy dividend equivalent payments) is restricted to 10% of the Company's issued shares calculated at the relevant time.

For the purposes of these limits, no account will be taken of options or awards granted before, on or in connection with Admission and no account will be taken of options or awards which have lapsed, been surrendered or otherwise become incapable of exercise or vesting. Shares held in treasury will be treated as newly issued shares for the purposes of these limits (as long as this is required by institutional investor guidelines), but (for the avoidance of doubt) shares acquired in the market will not.

(e) Individual limits

The aggregate market value of all the shares awarded to an eligible employee in respect of any financial year (calculated on the Date of Grant) comprised in awards granted to them in respect of that financial year under the plan, shall not exceed 100 per cent. of the bonus the eligible employee has agreed to, or has been required to, defer for that financial year.

Fair value of share awards

The expected volatility is based on historical volatility of a peer group of companies over a relevant period prior to award. The expected life is the average expected period to exercise, which has been taken as three years. The risk free rate of return is the yield on zero-coupon UK government bonds with a life equal to this expected life.

Options are valued using a Black-Scholes option-pricing model for the non-market based (EPS element) performance conditions and a Monte-Carlo simulation for the market-based (TSR element) performance conditions.

Special provisions allow early exercise in the case of death, injury, disability, redundancy, retirement or because the Company which employs the option holder ceases to be part of the Group or in the event of a change in control, reconstruction or winding up of the Company.

Notes to the consolidated financial statements continued

24 Share-based payments continued

4 Deferred Share Bonus Plan ('DSBP') continued

The key assumptions used in the fair value of the awards were as follows:

	RSA							
	2024	2023	2022	2021	2020	2019	2018	2017
At grant date								
Share price	**£2.91**	£3.75	£3.47	£4.57	£2.28	£1.87	£1.37	£2.59
Exercise price	**£0.00**	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Expected volatility	**30%**	37%	32%	32%	32%	32%	32%	32%
Option life (years)	**10**	10	10	10	10	10	10	10
Expected dividend yield	**2.00%**	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Risk free interest rate	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	0.005
Weighted average fair value of options granted	**£2.91**	£3.75	£3.47	£4.57	£2.28	£1.87	£1.37	£2.06

	DSBP		CSOP			SAYE			
	2023	2022	2016	2015	2024	2023	2022	2021	2020
At grant date									
Share price	£3.78	£3.10	£2.75	£2.31	£3.14	£3.49	£3.05	£5.13	£2.87
Exercise price	£0.00	£0.00	£2.75	£2.31	£2.51	£2.79	£2.44	£4.10	£2.29
Expected volatility	37%	37%	32%	37%	30%	37%	37%	33%	32%
Option life (years)	10	10	10	10	3	3	3	3	3
Expected dividend yield	2%	2%	2%	2%	2%	2%	2%	2%	2%
Risk free interest rate	n/a	n/a	2%	2%	4%	4%	1%	1%	0%
Weighted average fair value of options granted	£3.78	£3.10	£0.89	£0.75	£1.12	£1.36	£1.16	£1.68	£0.95

For both the RSA and DSBP awards, the fair value is the share price at the date of the grant so the risk free rate has no impact on the fair value calculation.

Movements in awards under share-based payment schemes:

	CSOP 000	SAYE 000	RSA 000	DSBP 000	Total 000
Outstanding at start of year	201	3,398	4,287	250	8,136
Granted	–	1,026	2,098	–	3,124
Forfeited	(4)	(1,094)	(634)	–	(1,732)
Exercised	(32)	(181)	(809)	(145)	(1,167)
Lapsed	(31)	(75)	(52)	–	(158)
Outstanding at end of year	**134**	**3,074**	**4,890**	**105**	**8,203**
Weighted average exercise price	**2.65**	**2.64**	**–**	**–**	**–**

The Group income statement charge recognised in respect of share-based payments for the 52 week period ended 27 March 2025 is £5.9m (52 week period ended 28 March 2024: £5.9m).

25 Commitments

Capital commitments

At 27 March 2025, the Group is committed to incur capital expenditure of £1.1m (28 March 2024: £1.9m). At 27 March 2025, the Group has a commitment to increase the loan funding to Joint Venture companies of £0.2m (28 March 2024: £0.3m), this increase in funding is written into the Joint Venture agreements and becomes payable when certain criteria are met.

26 Contingencies

Veterinary practices

During the period, the Group also had in place certain guarantees over the bank loans taken out by a number of veterinary practice companies in which it holds an investment in non-participatory share capital. Under IFRS 9, the Group holds provision against a proportion of the guarantees where the practices are in default in accordance with the policy set out in note 1.16. At 27 March 2025, the total amount of bank overdrafts and loans guaranteed by the Group amounted to £4.0m (28 March 2024: £4.5m). The Group is a guarantor for the lease for veterinary practices that are not located within Pets at Home stores. The Group is also a guarantor to a small number of third parties where the lease has been reassigned.

Notes to the consolidated financial statements continued

26 Contingencies continued

Exemption from audit by parent guarantee

The wholly owned subsidiaries with the exception of Pets at Home Limited, Companion Care (Services) Limited and Vets4Pets Limited are covered by a guarantee provided by Pets at Home Group Plc and are consequently entitled to an exemption under s479A from the requirement of the Act relating to the audit of individual accounts. Under this guarantee, the Group will guarantee all outstanding liabilities of these entities. No liability is expected to arise under the guarantee. The entities covered by this guarantee are disclosed in note 28 below.

27 Related parties

Joint Venture veterinary practice transactions

The Group has entered into a number of arrangements with third parties in respect of veterinary practices. These veterinary practices are deemed to be related parties due to the factors explained in note 1.4. Financial commitments provided to related party veterinary practices for funding are set out in note 25.

During the period, the Group had in place certain guarantees over the bank loans taken out by a number of veterinary practice companies in which it holds an investment in non-participatory share capital. At the end of the period, the total amount of bank overdrafts and loans guaranteed by the Group amounted to £4.0m (28 March 2024: £4.5m).

The transactions entered into during the period and the balances outstanding at the end of the period are as follows:

	27 March 2025 £m	28 March 2024 £m
Transactions		
– Fees for services provided to Joint Venture veterinary practices	**103.4**	89.3
– Rental and other occupancy charges to Joint Venture veterinary practices	**13.0**	12.7
Total income from Joint Venture veterinary practices	**116.4**	102.0
Acquisitions		
- Consideration for Joint Venture veterinary practices acquired (note 10)	**1.3**	1.0
Included within investments		
– Capital contributions for extensions and improvements of practices (note 16)	**2.7**	2.5
– B Share Capital (note 16)	**–**	0.2
Included within trade and other receivables (note 17):		
– Operating loans		
– Gross value of operating loans	**5.2**	8.8
– Allowance for expected credit losses held for operating loans	**(1.3)**	(3.0)
– Net operating loans	**3.9**	5.8
– Trading balances	**14.3**	10.9
- Deferred fee income rebate	**1.7**	–
Included within other financial assets and liabilities (note 16):		
– Loans to Joint Venture veterinary practices – initial set up loans		
– Gross value of initial set up loans	**4.3**	5.8
– Allowance for expected credit losses held for initial set up loans	**(0.4)**	(0.6)
– Net initial set up loans	**3.9**	5.2
– Loans to Joint Venture veterinary practices – other loans (note 16)		
– Gross value of other loans	**–**	0.5
– Allowance for expected credit losses held for other loans	**–**	–
– Net other loans	**–**	0.5
Included within trade and other payables (note 20):		
– Trading balances	**(8.2)**	(0.8)
Total amounts receivable from veterinary practices (before provisions)	**17.3**	25.2

Fees for services provided to related party veterinary practices are included within revenue and relate to charges for support services offered in such areas as clinical development, promotion and methods of operation as well as service activities including accountancy, legal and property. In accordance with IFRS15, revenue in the 52 week period ended 27 March 2025 and the 52 week period ended 28 March 2024 excludes irrecoverable fee income from Joint Venture veterinary practices.

Notes to the consolidated financial statements continued

27 Related parties continued

Joint Venture veterinary practice transactions continued
Funding for new practices represents the amounts advanced by the Group to support veterinary practice opening costs. The funding is short term and the related party Joint Venture veterinary practice draws down their own bank funding to settle these amounts outstanding with the Group shortly after opening.

Trading balances represent costs incurred and income received by the Group in relation to the services provided to the Joint Venture veterinary practices that have yet to be recharged.

Operating loans represent amounts advanced to related party Joint Venture veterinary practices to support their working capital requirements and longer term growth. The loans advanced to the practices are interest free and either repayable on demand or repayable within 90 days of demand. No facility exists and the levels of loans are monitored in relation to review of the practices performance against business plan. Based on the projected cash flow forecast on a practice by practices basis, the funding is often expected to be required for a number of years. As practices generate cash on a monthly basis it is applied to the repayment of brought forward operating loans. For immature practices, loan balances may increase due to operating requirements. The balances above are shown net of allowances for expected credit losses held for operating loans of £1.3m (28 March 2024: £3.0m).

Loans to Joint Venture veterinary practices for other related parties – other loans are provided to Joint Venture veterinary practice companies trading under the Companion Care and Vets4Pets brands, in which the Group's share interest is non-participatory. These loans represent a long-term investment in the Joint Venture, supporting their initial set up and working capital, and are held at amortised cost under IFRS9. The balances above are shown net of allowances for expected credit losses held for initial set up loans of £0.4m (28 March 2024: £0.6m).

In the 52 week period ended 27 March 2025, the value of loans written off recognised in the income statement amounted to £1.7m which relates to operating loans. In the 52 week period ended 28 March 2024 the value of loans written off recognised in the income statement amounted to £1.6m, which relates to operating loans.

At 27 March 2025, the Group had a commitment to increase the loan funding to Joint Venture companies of £0.2m (28 March 2024: £0.3m); this increase in funding is written into the Joint Venture agreements and becomes payable when certain criteria are met.

The Group is a guarantor for the leases for veterinary practices that are not located within Pets at Home stores.

Key management personnel
Details of remuneration paid to key management personnel are set out in note 4.

28 Investment in subsidiaries

	Investments in subsidiaries £m
At 27 March 2025 and 28 March 2024	936.2

Impairment testing
Management have conducted a full impairment review which has been undertaken on the Group's cash generating units of which the Company's investments form part. Management considers whether any impairment triggers existed by comparing the net assets value of the subsidiary to the carrying value of the investment. Management have concluded that under IAS36, no impairment trigger has been identified with regard to the Company's investments in subsidiaries.

In the 52 week period ended 27 March 2025 the Group acquired 100% of the 'A' shares of eight companies. These practices were previously accounted for as Joint Venture veterinary practices as the Group held 100% of the non-participatory 'B' Ordinary Shares. Acquisition of the 'A' shares has led to the control and consolidation of these companies. A detailed explanation for the basis of consolidation can be found in note 1.4. Further details of these acquisitions can be found in note 10.

Subsidiaries incorporated within the United Kingdom
The following wholly owned subsidiaries, with the exception of Pets at Home Limited, Companion Care (Services) Limited and Vets4Pets Limited are covered by a guarantee provided by Pets at Home Group Plc and are consequently entitled to an exemption under s479A from the requirement of the Act relating to the audit of individual accounts. This exemption has been disclosed in note 26 above.

Registered office address
VetsDirect Limited: Dickson Minto, 16 Charlotte Square, Edinburgh, Scotland, EH2 4DF

The registered office of all the remaining companies incorporated within the United Kingdom for which the Group has an interest in the share capital is Epsom Avenue, Stanley Green, Handforth, Cheshire, England SK9 3RN.

Notes to the consolidated financial statements continued

28 Investment in subsidiaries continued

Subsidiaries incorporated within the United Kingdom continued

Company	Registered number	Holding	Class of shares held	At 27 March 2025 %	At 28 March 2024 %
Brand Development Limited	00039522	Indirect	Ordinary	**100**	100
Companion Care (Services) Limited	04141142	Indirect	Ordinary	**100**	100
Companion Care Management Services Limited	08878037	Indirect	Ordinary	**100**	100
Pet Advisory Services Limited	09180974	Indirect	Ordinary	**100**	100
Pet Investments Limited	04428715	Indirect	Ordinary	**100**	100
PAH Financial Services Limited	04635676	Indirect	Ordinary	**100**	100
Pets at Home Holdings Limited	03864149	Indirect	Ordinary	**100**	100
Pets at Home Limited	01822577	Indirect	Ordinary	**100**	100
Pets at Home No.1 Limited	08887355	Direct	Ordinary	**100**	100
Pets at Home Superstores Limited	03119594	Indirect	Ordinary	**100**	100
Pets at Home Vets Group Limited	08595290	Indirect	Ordinary	**100**	100
Pets at Home (ESOT) Limited	03911784	Indirect	Ordinary	**100**	100
Pet City Holdings Limited	02342109	Indirect	Ordinary	**100**	100
Pet City Limited	02466773	Indirect	Ordinary	**100**	100
Pet City Resources Limited	02634797	Indirect	Ordinary	**100**	100
Vets4Pets (Services) Limited	04317414	Indirect	Ordinary	**100**	100
Vets4Pets Services Limited	05055601	Indirect	Ordinary	**100**	100
Vets4Pets UK Limited	03940967	Indirect	Ordinary	**100**	100
Vets4Pets Limited	00038174	Indirect	Ordinary	**100**	100
Vets4Pets Veterinary Group Limited	04263054	Indirect	Ordinary	**100**	100
VetsDirect Limited	SC230445	Indirect	Ordinary	**100**	100
Aberdeen North Vets4Pets Limited	11024679	Indirect	Ordinary	**100**	50
Accrington Vets4Pets Limited	10015704	Indirect	Ordinary	**100**	100
Alton Vets4Pets Limited	08132407	Indirect	Ordinary	**100**	100
Andover Vets4Pets Limited	08132407	Indirect	Ordinary	**100**	100
Bangor Wales Vets4Pets Limited	08314827	Indirect	Ordinary	**100**	100
Bath Vets4Pets Limited	09639978	Indirect	Ordinary	**100**	100
Bearsden Vets4Pets Limited	07780175	Indirect	Ordinary	**100**	100
Bedminster Vets4Pets Limited	09267870	Indirect	Ordinary	**100**	100
Belfast Stormont Vets4Pets Limited	09022077	Indirect	Ordinary	**100**	100
Bicester Vets4Pets Limited	10285804	Indirect	Ordinary	**100**	100
Bishop's Stortford Vets4Pets Limited	09674508	Indirect	Ordinary	**100**	50
Bolton Central Vets4Pets Limited	11047742	Indirect	Ordinary	**100**	100
Bonnyrigg Vets4Pets Limited	10757330	Indirect	Ordinary	**100**	100
Borehamwood Vets4Pets Limited	09319066	Indirect	Ordinary	**100**	100
Bourne Vets4Pets Limited	10200670	Indirect	Ordinary	**100**	100
Bracknell Vets4Pets Limited	10605544	Indirect	Ordinary	**100**	100
Bradford Idle Vets4Pets Limited	04238792	Indirect	Ordinary	**75**	50
Bramley Vets4Pets Limited	04238788	Indirect	Ordinary	**100**	100
Bramley Vets4Pets (Newco) Limited	09772761	Indirect	Ordinary	**100**	100
Brighton Vets4Pets Limited	13539268	Indirect	Ordinary	**100**	100
Carmarthen Vets4Pets Limited	09498169	Indirect	Ordinary	**100**	100
Clacton Vets4Pets Limited	13668587	Indirect	Ordinary	**100**	100
Clitheroe Vets4Pets Limited	09878308	Indirect	Ordinary	**100**	100
Companion Care (Ballymena) Limited	08294444	Indirect	Ordinary	**100**	100
Companion Care (Banbury) Limited	08606393	Indirect	Ordinary	**100**	100
Companion Care (Barnsley Cortonwood) Limited	08314805	Indirect	Ordinary	**100**	100
Companion Care (Chippenham) Limited	08107702	Indirect	Ordinary	**100**	100
Companion Care (Ely) Limited	04417089	Indirect	Ordinary	**100**	100
Companion Care (Exeter Marsh) Limited	08314727	Indirect	Ordinary	**100**	100
Companion Care (Exeter) Limited	04930076	Indirect	Ordinary	**100**	100
Companion Care (Farnham) Limited	07877541	Indirect	Ordinary	**100**	100
Companion Care (Kings Lynn) Limited	06797982	Indirect	Ordinary	**100**	100
Companion Care (Llantrisant) Limited	08080307	Indirect	Ordinary	**100**	100
Companion Care (Macclesfield) Limited	08285995	Indirect	Ordinary	**100**	100
Companion Care (Newport) Limited	08425358	Indirect	Ordinary	**100**	100
Companion Care (Nottingham) Limited	04289970	Indirect	Ordinary	**100**	100
Companion Care (Salisbury) Limited	06457719	Indirect	Ordinary	**100**	100
Companion Care (Scarborough) Limited	06555344	Indirect	Ordinary	**100**	50
Companion Care (Speke) Limited	07149744	Indirect	Ordinary	**100**	100
Companion Care (Telford) Limited	04417091	Indirect	Ordinary	**100**	100
Craigavon Vets4Pets Limited	08846831	Indirect	Ordinary	**100**	100

Notes to the consolidated financial statements continued

28 Investment in subsidiaries continued

Subsidiaries incorporated within the United Kingdom continued

Company	Registered number	Holding	Class of shares held	At 27 March 2025 %	At 28 March 2024 %
Davidsons Mains Vets4Pets Limited	07726992	Indirect	Ordinary	**100**	100
Denbigh Vets4Pets Limited	10976376	Indirect	Ordinary	**100**	100
Didcot Vets4Pets Limited	14091352	Indirect	Ordinary	**100**	100
East Kilbride South Vets4Pets Limited	09725644	Indirect	Ordinary	**100**	100
Ellesmere Port Vets4Pets Limited	09269582	Indirect	Ordinary	**100**	100
Gamston Vets4Pets Limited	10970617	Indirect	Ordinary	**75**	75
Gillingham Vets4Pets Limited	08361049	Indirect	Ordinary	**100**	100
Guildford Vets4Pets Limited	13470077	Indirect	Ordinary	**100**	100
Haverfordwest Vets4Pets Limited	09485504	Indirect	Ordinary	**100**	100
Horsham Vets4Pets Limited	14345928	Indirect	Ordinary	**100**	100
Huddersfield Vets4Pets Limited	07207906	Indirect	Ordinary	**100**	100
Inverurie Vets4Pets Limited	11056047	Indirect	Ordinary	**100**	100
Kendal Vets4Pets Limited	10163314	Indirect	Ordinary	**100**	100
Larne Vets4Pets Limited	11121715	Indirect	Ordinary	**100**	100
Leeds Kirkstall Vets4Pets Limited	10291543	Indirect	Ordinary	**100**	100
Leicester St Georges Vets4Pets Limited	09881176	Indirect	Ordinary	**100**	100
Leigh Vets4Pets Limited	10601393	Indirect	Ordinary	**100**	100
Linlithgow Vets4Pets Limited	09966547	Indirect	Ordinary	**100**	100
Lichfield Vets4Pets Limited	11180484	Indirect	Ordinary	**100**	50
Liverpool OS Vets4Pets Limited	06959208	Indirect	Ordinary	**100**	100
Llanrumney Vets4Pets Limited	08291716	Indirect	Ordinary	**100**	50
Malvern Vets4Pets Limited	10516552	Indirect	Ordinary	**100**	100
Market Harborough Vets4Pets Limited	10602806	Indirect	Ordinary	**100**	100
Marlborough Vets4Pets Limited	09869384	Indirect	Ordinary	**100**	100
Melton Mowbray Vets4Pets Limited	07893688	Indirect	Ordinary	**100**	100
Merthyr Tydfil Vets4Pets Limited	09847728	Indirect	Ordinary	**100**	50
Monmouth Vets4Pets Limited	10756991	Indirect	Ordinary	**100**	100
Musselburgh Vets4Pets Limited	10425760	Indirect	Ordinary	**100**	100
Newbury Vets4Pets Limited	04633009	Indirect	Ordinary	**100**	100
Newton Mearns Vets4Pets Limited	07957431	Indirect	Ordinary	**100**	100
Newtownards Vets4Pets Limited	10067571	Indirect	Ordinary	**100**	100
Northwich Vets4Pets Limited	11107287	Indirect	Ordinary	**100**	100
Pentland Vets4Pets Limited	09360949	Indirect	Ordinary	**100**	100
Prescot Vets4Pets Limited	08878815	Indirect	Ordinary	**100**	100
Rawtenstall Vets4Pets Limited	09009519	Indirect	Ordinary	**100**	100
Redditch Vets4Pets Limited	05612150	Indirect	Ordinary	**100**	100
Runcorn Vets4Pets Limited	11446894	Indirect	Ordinary	**100**	100
Sheldon Vets4Pets Limited	08822150	Indirect	Ordinary	**100**	100
South Shields Quays Vets4Pets Limited	09848857	Indirect	Ordinary	**100**	100
St Austell Vets4Pets Limited	09878373	Indirect	Ordinary	**95**	95
St Neots Vets4Pets Limited	09811640	Indirect	Ordinary	**100**	100
Staines Vets4Pets Limited	13584062	Indirect	Ordinary	**100**	100
Sudbury Vets4Pets Limited	09916308	Indirect	Ordinary	**100**	100
Thamesmead Vets4Pets Limited	09881179	Indirect	Ordinary	**100**	100
Tilehurst Vets4Pets Limited	10573329	Indirect	Ordinary	**100**	100
Tiverton Vets4Pets Limited	11023079	Indirect	Ordinary	**100**	100
Trafford Park Vets4pets Limited	08915152	Indirect	Ordinary	**100**	50
Uttoxeter Vets4Pets Limited	11145982	Indirect	Ordinary	**100**	100
Wakefield Vets4Pets Limited	04262693	Indirect	Ordinary	**100**	100
Wallasey Bidston Moss Vets4Pets Limited	09190138	Indirect	Ordinary	**100**	100
Warminster Vets4Pets Limited	10067591	Indirect	Ordinary	**76**	76
Wellingborough Vets4Pets Limited	07620413	Indirect	Ordinary	**100**	100
Whetstone Vets4Pets Limited	16120022	Indirect	Ordinary	**100**	0
Wokingham Vets4Pets Limited	09869355	Indirect	Ordinary	**100**	100
Wrexham Vets4Pets Limited	07103838	Indirect	Ordinary	**100**	100

Notes to the consolidated financial statements continued

28 Investment in subsidiaries continued

Subsidiaries incorporated outside of the United Kingdom

Registered office address

Les Boues Limited: Herald House, 8 Hill Street, St Helier, Jersey, JE4 9XB

PAH Pty Limited: Herbert Greer and Rundle, Level 21, 385 Bourke Street, Melbourne, VIC 3000, Australia

Pets at Home (Asia) Limited: Units 704 5A, 7/F, Tower B, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong

Vets4Pets Holdings Limited: Vets4pets, Support Centre, Les Merriennes, St Martins, Guernsey, GY4 6NS

Vets4Pets I.P. Limited: Vets4pets, Support Centre, Les Merriennes, St Martins, Guernsey, GY4 6NS

Company	Holding	Country of incorporation	Class of shares held	At 27 March 2025 %	At 28 March 2024 %
Les Boues Limited	Indirect	Guernsey	Ordinary	**100**	100
PAH Pty Limited	Indirect	Australia	Ordinary	**100**	100
Pets at Home (Asia) Limited	Indirect	Hong Kong	Ordinary	**100**	100
Vets4Pets Holdings Limited	Indirect	Guernsey	Ordinary	**100**	100
Vets4Pets I.P. Limited	Indirect	Guernsey	Ordinary	**100**	100

Investments in Joint Venture practices and other investments

Registered office address

VetsDirect Limited: Dickson Minto, 16 Charlotte Square, Edinburgh, Scotland, EH2 4DF

Project Blu Limited: 34 Cardiff Road, Dinas Powys, Wales CF64 4JS

Good Dog Food Limited ('Meatly'): Hill Dickinson LLP, The Broadgate Tower, 20 Primrose Street, London, United Kingdom, EC2A 2EW

The registered office of all the remaining companies in which the Group has an interest in the share capital is Epsom Avenue, Stanley Green, Handforth, Cheshire, England SK9 3RN.

The Group holds an indirect interest in the share capital of the following companies:

Company	Holding	Country of incorporation	Class of shares held	At 27 March 2025 %	At 28 March 2024 %
Aberdeen Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Abingdon Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
ABTW Limited	Indirect	United Kingdom	Ordinary	**50**	50
Airdrie Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Alsager Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Altrincham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Amesbury Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Bagshot Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Bangor Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Barnsley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Barnstaple Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Barnwood Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Barry Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Beckenham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	0
Bedford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Bedlington Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Beeston Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Beverley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Biggleswade Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Bishop Auckland Cockton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	0
Bishopston Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Bitterne Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Blackburn Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Blackheath Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Blackpool Squires Gate Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Blackpool Warbreck Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	100
Blackwood Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Bodmin Launceston Road Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	0
Bolton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Bracknell Peel Centre Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Brighouse Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Bristol Emerson Green Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Bristol Imperial Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Bristol Kingswood Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50

Notes to the consolidated financial statements continued

28 Investment in subsidiaries continued

Investments in Joint Venture practices and other investments continued

Company	Holding	Country of incorporation	Class of shares held	At 27 March 2025 %	At 28 March 2024 %
Bristol Longwell Green Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Bromsgrove Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Buckingham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Bulwell Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Burscough Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Burton-On-Trent Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Bury St Edmunds Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Bury Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Byfleet Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Caerphilly Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Camborne Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Cannock Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Canterbury Sturry Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Cardiff Ely Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Cardiff Newport Road Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Carlisle Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Carrickfergus Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Castleford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Catterick Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Chadwell Heath Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Cheadle Hulme Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Chester Caldy Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Chester Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Chesterfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Cirencester Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Clevedon Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Cleveleys Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Clifton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Clowne Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Coalville Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Colchester Vets4Pets Advanced Practice Limited	Indirect	United Kingdom	Ordinary	**50**	50
Colne Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Aintree) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Andover) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Ashford) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Ashton) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Aylesbury) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Ayr) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Basildon Pipps Hill) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Basildon) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Basingstoke) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Beckton) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Bedford) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Belfast) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Bishopbriggs) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Bletchley) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Bolton) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Bournemouth) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Braintree) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Brentford) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Bridgend) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Bridgwater) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Brislington) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Bristol Filton) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Broadstairs) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Burgess Hill) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Cambridge Beehive) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Cambridge) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Cannock) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Canterbury) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Cardiff) Limited	Indirect	United Kingdom	Ordinary	**50**	50

Notes to the consolidated financial statements continued

28 Investment in subsidiaries continued

Investments in Joint Venture practices and other investments continued

Company	Holding	Country of incorporation	Class of shares held	At 27 March 2025 %	At 28 March 2024 %
Companion Care (Charlton) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Chatham) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Chelmsford) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Cheltenham) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Chesterfield) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Chichester) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Chingford) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Christchurch) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Colchester) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Corstorphine) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Coventry Walsgrave) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Cramlington) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Crawley) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Crayford) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Croydon) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Derby Kingsway) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Derby) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Dunstable) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Eastbourne) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Enfield) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Falmouth) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Fareham Collingwood) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Fareham) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Farnborough) Limited	Indirect	United Kingdom	Ordinary	**50**	100
Companion Care (Folkestone) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Fort Kinnaird) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Friern Barnet) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Gloucester) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Harlow) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Hatfield) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Hemel Hempstead) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (High Wycombe) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Hove) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Huddersfield) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Huntingdon) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Ilford) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Ipswich Martlesham) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Keighley) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Kidderminster) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Kirkcaldy) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Leicester Beaumont Leys) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Leicester Fosse Park) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Leighton Buzzard) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Linwood) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Lisburn) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Liverpool Penny Lane) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Livingston) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Maidstone) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Merry Hill) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Milton Keynes) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (New Malden) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Newbury) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Newcastle Kingston Park) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Northampton Nene Valley) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Norwich Hall Road) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Norwich Longwater) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Norwich) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Oldbury) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Oldham) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Orpington) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Oxford) Limited	Indirect	United Kingdom	Ordinary	**50**	50

Notes to the consolidated financial statements continued

28 Investment in subsidiaries continued

Investments in Joint Venture practices and other investments continued

Company	Holding	Country of incorporation	Class of shares held	At 27 March 2025 %	At 28 March 2024 %
Companion Care (Perth) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Peterborough Bretton) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Peterborough) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Plymouth) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Poole) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Portsmouth) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Preston Capitol) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Pudsey) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Reading) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Redditch) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Redhill) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Romford) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Rotherham) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Rustington) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Slough) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Southampton) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Southend-On-Sea) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Stevenage) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Stirling) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Stockport) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Stoke Festival Park) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Stratford-Upon-Avon) Limited	Indirect	United Kingdom	Ordinary	**50**	100
Companion Care (Swansea) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Swindon) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Tamworth) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Taunton) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Truro) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Tunbridge Wells) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Wakefield) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Weston-Super-Mare) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Winchester) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Winnersh) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Woking) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Woolwell) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Worcester) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Companion Care (Wrexham Holt Road) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Corby Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	100
Craigleith Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Crescent Link Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Crewe Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Cross Hands Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Cumbernauld Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Dagenham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Darlington Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Daventry Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Denton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Dewsbury Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Doncaster Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Dorchester Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Dover Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Droitwich Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Drumchapel Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Dudley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Dumbarton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Dunfermline Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Durham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
East Kilbride Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Eastleigh Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Eastwood Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Eccleshill Vets4Pets (Newco) Limited	Indirect	United Kingdom	Ordinary	**50**	50
Epsom Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50

Notes to the consolidated financial statements continued

28 Investment in subsidiaries continued

Investments in Joint Venture practices and other investments continued

Company	Holding	Country of incorporation	Class of shares held	At 27 March 2025 %	At 28 March 2024 %
Evesham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	100
Falkirk Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Feltham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Filton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Gateshead Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Glasgow Forge Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Glasgow Pollokshaws Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Goldenhill Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Good Dog Food Limited	Indirect	United Kingdom	Ordinary	**9**	9
Gosport Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Grantham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	100
Gravesend Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Greasby Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Greenford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Grimsby Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Guernsey Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Halesowen Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Halifax Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Handforth Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Hamilton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Harrogate New Park Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Harrogate Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Hartlepool Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Hastings Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Havant Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Haverhill Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Hayling Island Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Heanor Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Hedge End Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Hemel Hempstead Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Hendon Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Hereford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Hertford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
High Wycombe Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Hinckley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Hucknall Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Hull Anlaby Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Hull Stoneferry Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Hull Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Ilkeston Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Ipswich Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Irvine Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Kettering Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Kidderminster Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Kilmarnock Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Kirkby in Ashfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Lancaster Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Launceston Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Leamington Spa Myton Road Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Leeds Birstall Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Leeds Colton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Leeds Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Leigh-On-Sea Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Letchworth Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Leyland Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Lincoln South Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Lisburn Longstone Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Llandudno Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Llanelli Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Llanrumney Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Longton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50

Notes to the consolidated financial statements continued

28 Investment in subsidiaries continued

Investments in Joint Venture practices and other investments continued

Company	Holding	Country of incorporation	Class of shares held	At 27 March 2025 %	At 28 March 2024 %
Loughborough Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Loughton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Luton Gipsy Lane Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Luton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Lytham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Maidstone Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	100
Maidenhead Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Maldon Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Manchester Fort Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**100**	0
Mansfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Mapperley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Middlesbrough Cleveland Park Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Middlesbrough Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Middleton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Millhouses Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Morpeth Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
New Milton Vets4pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Newcastle-Upon-Tyne Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Newmarket Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Newport Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Newton Abbot Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Newtownabbey Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
North Tyneside Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Northallerton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Northampton Riverside Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Northampton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Nottingham Chilwell Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Nottingham Netherfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Nuneaton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Oadby Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Old Kent Road Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Oxford Cowley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Paisley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Penrith Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Pentland Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Penzance Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Peterborough Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Pontypridd Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Poole Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Portishead Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Portsmouth Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Prenton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Preston Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Prestwich Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Project Blu Limited	Indirect	United Kingdom	Ordinary	**9**	9
Quinton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Rayleigh Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Rhyl Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Richmond Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Rochdale Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Rotherham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Rugby Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Rugby Central Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Ruislip Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Rushden Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Saffron Walden Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Salford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Selly Oak Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Sevenoaks Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Sheffield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Sheffield Drakehouse Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50

Notes to the consolidated financial statements continued

28 Investment in subsidiaries continued

Investments in Joint Venture practices and other investments continued

Company	Holding	Country of incorporation	Class of shares held	At 27 March 2025 %	At 28 March 2024 %
Sheffield Wadsley Bridge Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Shelfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Shrewsbury Meole Brace Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Shrewsbury Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Sidcup Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Sittingbourne Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Solihull Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Somercotes Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
South Shields Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Southampton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Southend Airport Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Southend-On-Sea Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Southport Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
St Albans Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
St Helens Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Stafford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Stechford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Stockton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Stourbridge Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Street Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Sunderland South Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Sunderland Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Sutton Coldfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Sutton In Ashfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Swindon Bridgemead Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Swinton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Sydenham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Telford Madeley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Thurrock Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Torquay Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Totton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Trowbridge Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Walkden Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Walsall Reedswood Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Waltham Abbey Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Walton on Thames Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Walton Vale Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Warrington Riverside Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Warrington Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Washington Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Waterlooville Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Watford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
West Bromwich Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Weymouth Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Whitstable Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Widnes Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Wigan Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Wimbledon Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Wolverhampton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Worksop Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Worthing Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
WSM Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Yate Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
Yeovil Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
York Clifton Moor Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50
York Vets4Pets Limited	Indirect	United Kingdom	Ordinary	**50**	50

During the 52 week period ended 27 March 2025, the Group has sold 100% of the 'A' shares in nine companies which were previously classified as subsidiaries, and subsequent to sale of the 'A' shares, have been accounted for as Joint Venture veterinary practices, which has led to the reduction in the holding in nine entities listed above to 50% investment.

Company balance sheet
at 27 March 2025

	Note	At 27 March 2025 £m	At 28 March 2024 £m
Non-current assets			
Investments in subsidiaries	C4	**936.2**	936.2
Deferred tax asset	C5	**1.6**	0.9
Trade and other receivables	C6	**741.0**	663.3
		1,678.8	1,600.4
Current assets		**–**	–
Total assets		**1,678.8**	1,600.4
Current liabilities			
Trade and other payables	C7	**(941.2)**	(816.3)
		(941.2)	(816.3)
Non-current liabilities			
Other interest-bearing loans and borrowings	C8	**(8.1)**	(22.2)
		(8.1)	(22.2)
Total liabilities		**(949.3)**	(838.5)
Net assets		**729.5**	761.9
Equity attributable to equity holders of the parent			
Ordinary share capital	C9	**4.6**	4.7
Merger reserve		**113.3**	113.3
Capital redemption reserve		**0.4**	0.3
Retained earnings		**611.2**	643.6
Total equity		**729.5**	761.9

As permitted by section 408 of the Companies Act 2006, the Company's income statement has not been included in these financial statements. The Company's profit for the 52 week period ended 27 March 2025 was £50.4m (profit for the 52 week period ended 28 March 2024 was £75.9m).

On behalf of the Board:

Mike Iddon
Chief Financial Officer
28 May 2025

Company number: 08885072

The notes on pages 141 to 142 form an integral part of these financial statements.

Company statement of changes in equity
as at 27 March 2025

	Share capital £m	Merger reserve £m	Cash flow hedging reserve £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
Balance at 28 March 2024	**4.7**	**113.3**	**–**	**0.3**	**643.6**	**761.9**
Total comprehensive income for the period						
Profit for the period	**–**	**–**	**–**	**–**	**50.4**	**50.4**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**50.4**	**50.4**
Transactions with owners, recorded directly in equity						
Equity dividends paid	**–**	**–**	**–**	**–**	**(59.7)**	**(59.7)**
Share-based payment charge	**–**	**–**	**–**	**–**	**5.9**	**5.9**
Share buyback	**(0.1)**	**–**	**–**	**0.1**	**(25.1)**	**(25.1)**
Purchase of own shares	**–**	**–**	**–**	**–**	**(3.9)**	**(3.9)**
Total contributions by and distributions to owners	**(0.1)**	**–**	**–**	**0.1**	**(82.8)**	**(82.8)**
Balance at 27 March 2025	**4.6**	**113.3**	**–**	**0.4**	**611.2**	**729.5**

Company statement of changes in equity
as at 28 March 2024

	Share capital £m	Merger reserve £m	Cash flow hedging reserve £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
Balance at 30 March 2023	4.8	113.3	1.2	0.2	684.6	804.1
Total comprehensive income for the period						
Profit for the period	–	–	–	–	75.9	75.9
Other comprehensive income	–	–	(1.2)	–	–	(1.2)
Total comprehensive income for the period	–	–	(1.2)	–	75.9	74.7
Transactions with owners, recorded directly in equity						
Equity dividends paid	–	–	–	–	(60.7)	(60.7)
Share-based payment charge	–	–	–	–	5.9	5.9
Deferred tax movement on IFRS2 reserve	–	–	–	–	(1.0)	(1.0)
Share buyback	(0.1)	–	–	0.1	(50.3)	(50.3)
Purchase of own shares	–	–	–	–	(10.8)	(10.8)
Total contributions by and distributions to owners	(0.1)	–	–	0.1	(116.9)	(116.9)
Balance at 28 March 2024	4.7	113.3	–	0.3	643.6	761.9

Notes the Parent Company financial statements

C1. Accounting policies

The principal activities of the Company and the nature of the Company's operations is as a holding entity.

The Parent Company financial statements of Pets at Home Group Plc have been prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 'Reduced disclosure framework' ('FRS 101'). FRS 101 enables the financial statements of the Parent Company to be prepared in accordance with IFRS but with certain disclosure exemptions. The main areas of reduced disclosure are in respect of equity-settled share-based payments, financial instruments, the Cash Flow Statement, and related party transactions with Group companies.

The accounting policies adopted for the Parent Company, Pets at Home Group Plc, are otherwise consistent with those used for the Group which are set out on pages 84 to 138.

Critical accounting judgements or key sources of estimation uncertainty

There were no critical accounting judgements that would have a significant effect on the amounts recognised in the Parent Company financial statements or key sources of estimation uncertainty at the balance sheet date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

C2. Profit for the year

As permitted by s408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the Parent Company. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

The auditor's remuneration for the audit and other services is disclosed in note 3 to the consolidated financial statements.

C3. Colleague numbers and costs

The number of people employed by the Company during the year was 3 (2024: 3) and relates to Directors. The costs associated with them were borne by a subsidiary undertaking and included in the disclosure in note 4 on page 98.

The Company participates in a defined contribution scheme in which the assets are held independently. The total net defined contribution costs of this fund is borne by a subsidiary undertaking and therefore in accordance with IAS 19, no net defined contribution costs are recognised in the Company's financial statements. Note 4 to the consolidated financial statements provides further details regarding the pension costs incurred during the year.

C4. Investment in subsidiaries

Management have conducted a full impairment review which has been undertaken on the Group's cash generating units of which the Company's investments form part. Management considers whether any impairment triggers existed by comparing the net assets value of the subsidiary to the carrying value of the investment. Management have concluded that under IAS36, no impairment trigger has been identified with regard to the Company's investments in subsidiaries.

The impairment assessment is disclosed in note 28 to the consolidated financial statements.

C5. Deferred tax

Movement in deferred tax during the period

	28 March 2024 £m	Recognised in income £m	27 March 2025 £m
Other short term timing differences	**0.8**	**0.7**	**1.5**
Share based payments	**0.1**	**–**	**0.1**
	0.9	**0.7**	**1.6**

The rate used to calculate deferred tax assets and liabilities is 25% based on the rate at which the majority of items are expected to reverse.

Movement in deferred tax during the period

	30 March 2023 £m	Recognised in income £m	Recognised in equity £m	28 March 2024 £m
Net financial liabilities	(0.4)	–	0.4	–
Other short term timing differences	2.1	(1.3)	–	0.8
Share based payments	1.1	–	(1.0)	0.1
	2.8	(1.3)	(0.6)	0.9

The rate used to calculate deferred tax assets and liabilities is 25% based on a blended rate at which the majority of items are expected to reverse.

Notes the Parent Company financial statements continued

C6. Trade and other receivables

	At 27 March 2025 £m	At 28 March 2024 £m
Non-current assets		
Amounts owed by Group undertakings	**741.0**	663.3
	741.0	663.3

Amounts owed by Group undertakings are repayable on demand bearing no interest and with no expectation that it will be settled within the next 12 months. The ECL calculated under IFRS 9 is not material.

C7. Trade and other payables

	At 27 March 2025 £m	At 28 March 2024 £m
Current		
Accruals and deferred income	**2.7**	2.8
Amounts owed to Group undertakings	**938.5**	813.5
	941.2	816.3

Amounts owed to Group undertakings are repayable on demand bearing no interest and with no expectation that it will be settled within the next 12 months.

C8. Other interest- bearing loans and borrowings

	At 27 March 2025 £m	At 28 March 2024 £m
Non-current liabilities		
Unsecured bank loans	**8.1**	22.2
Total	**8.1**	22.2

Interest-bearing borrowings are recognised initially at fair value, being the principal value of the loan net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at a carrying value, which represents the amortised cost of the loans using the effective interest method.

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value at 27 March 2025 £m	Carrying amount at 27 March 2025 £m	Face value at 28 March 2024 £m	Carrying amount at 28 March 2024 £m
Revolving credit facility	GBP	SONIA +1.30%	2028	**10.0**	**8.1**	25.0	22.2
Total				**10.0**	**8.1**	25.0	22.2

The drawn amount on the £300.0m revolving credit facility was £10.0m at 27 March 2025 (drawn amount on the £300.0m revolving credit facility was £25.0m at 28 March 2024) and this amount is reviewed each month. Interest is charged at SONIA plus a margin based on leverage on a pre-IFRS16 basis (adjusted net debt: EBITDA). The loan also has environmental, social and corporate governance (ESG) linked metrics which will be reflected in the margin payable, which is +/- 5bps. Face value represents the principal value of the revolving credit facility. The facility is unsecured.

The analysis of repayments on the loans is as follows:

	At 27 March 2025 £m	At 28 March 2024 £m[1]
Within one year or repayable on demand	**–**	–
Between one and three years	**–**	–
Between three and five years	**10.0**	25.0
Greater than five years	**–**	–
	10.0	25.0

1 The presentation ageing analysis has been revised to align with the ageing buckets presented in note 23.

C9. Capital and reserves

As disclosed in note 22: capital and reserves in the notes to the consolidated financial statements.

Glossary – Alternative Performance Measures

Guidelines on Alternative Performance Measures (APMs) issued by the European Securities and Markets Authority came into effect for all communications released on or after 3 July 2016 for issuers of securities on a regulated market.

In the reporting of financial information, the Directors have adopted various APMs of historical or future financial performance, position or cash flows other than those defined or specified under International Financial Reporting Standards (IFRS).

The Directors measure the performance of the Group based on the following financial measures which are not recognised under UK-adopted international accounting standards and consider these to be important measures in evaluating the Group's strategic and financial performance. The Directors believe that these APMs assist in providing additional useful information on the underlying trends, performance and position of the Group.

APMs are also used to enhance the comparability of information between reporting periods by adjusting for non-underlying items, to aid the user in understanding the Group's performance.

Consequently, APMs are used by the Directors and management for performance analysis, planning, reporting and incentive setting purposes and have remained consistent with prior year. These APMs may not be directly comparable with other companies' APMs and the Directors do not intend for these to be considered superior to, or a substitute for, IFRS measures.

All APMs relate to the current period results and comparative period where provided.

Several APMs exclude non-underlying items (see definition below) in order to reflect management's view of the performance of the business. Due to this, APMs should not be regarded as a complete picture of the Group's financial performance, which is presented in its financial statements. The exclusion of non-underlying items may result in adjusted earnings being materially higher or lower than total earnings.

References to Underlying GAAP measures and Underlying APMs throughout the financial statements are measured before the effect of non-underlying items.

APM	Definition	Reconciliation

Consumer revenue

Consumer revenue being statutory Group revenue, less Joint Venture veterinary practice fee income (which forms part of statutory revenue within the Vet Group), plus gross consumer sales made by Joint Venture veterinary practices (unaudited). This is an important measure as it includes the revenue from all vet practices whether they be under the Joint Venture or Company managed model which is used in the assessment of market share.

Consumer revenue (£m)	FY25	FY24 (restated)[1]	Note
Statutory Group revenue	**1,482.1**	1,480.2	CIS
Joint Venture fee income	**(103.4)**	(89.3)	2
Revenue by Joint Venture practices	**583.2**	519.0	2
Consumer revenue[2]	**1,961.9**	1,909.9	

1 See note 1.26 for an explanation of the prior year restatement.

2 Consumer revenue cannot be directly referenced in the financial statements as revenue by all veterinary practices relates to all Joint Venture customer revenue.

CIS = Consolidated income statement

Like-for-like revenue

Like-for-like revenue growth comprises total revenue in a financial period compared to revenue achieved in a prior period for stores, online operations, grooming salons and veterinary practices that have been trading more than 52 weeks prior both the current and prior period reporting date, excluding fee income from Joint Venture practices where the Group has bought out the Joint Venture Partners. The measure is used widely as an indicator of sales performance.

Like-for-like revenue (£m)	FY25	FY24	Growth	Note
Retail revenue	**1,306.8**	1,330.1	(1.8)%	2
New stores and grooming salons	**(8.2)**	(5.5)		
Retail like-for-like revenue	**1,298.6**	1,324.6	(2.0)%	
Vet Group revenue	**175.3**	150.1	16.8%	2
New practices	**(11.9)**	(9.6)		
Vet Group other income	**(15.4)**	(13.1)		
Vet Group like-for-like revenue	**148.0**	127.4	16.2.%	
Statutory Group revenue	**1,482.1**	1,480.2	0.1%	CIS
New stores, grooming salons and practices	**(20.0)**	(15.3)		
Vet Group other income	**(15.4)**	(13.1)		
Group like-for-like revenue	**1,446.7**	1,451.8	(0.4%)	

CIS = Consolidated income statement

Underlying profit before tax

Underlying profit before tax (PBT) is based on pre-tax profit before the impact of certain costs or incomes that are excluded as they are not generated from ordinary business operations, infrequent in nature and unlikely to reoccur in the foreseeable future in order to reflect management's view of the performance of the Group. The underlying profitability of the Group is an important measure of delivery against strategic objectives.

Underlying PBT (£m)	FY25	FY24	Note
Underlying PBT	**133.0**	132.0	CIS
Non-underlying items	**(12.4)**	(26.3)	CIS
Profit before tax	**120.6**	105.7	

CIS = Consolidated income statement

Glossary – Alternative Performance Measures continued

APM	Definition	Reconciliation
Underlying basic EPS	Underlying basic earnings per share (EPS) is based on earnings per share before the impact of certain costs or incomes that derive from events or transactions that fall outside the normal activities of the Group and are excluded by virtue of their size and nature in order to reflect management's view of the performance of the Group.	see table below

Underlying basic EPS (p)	FY25	FY24	Note
Underlying basic EPS	**21.0**	20.7	5
Non-underlying items	**(2.0)**	(4.1)	
Basic earnings per share	**19.0**	16.6	5

APM	Definition
Free cash flow	Net Increase (decrease) in cash before the impacts of dividends paid, share buybacks, investment movements, acquisition and disposal of subsidiaries, proceeds from new loans and repayment of borrowings. This measure shows the cash generated by the Group during the year that is available for strategic investments or returning to shareholders.

Free cash flow (£m)	FY25	FY24	Note
Net decrease in cash	**(17.6)**	(120.9)	CFS
Remove effects of:			
Dividends	**59.7**	60.7	CFS
Repayment of borrowings	**15.0**	75.0	CFS
Share buyback	**25.1**	50.3	CFS
Investment movements	**(1.3)**	1.4	CFS
Acquisition of subsidiaries	**1.3**	1.0	CFS
Disposal of subsidiaries	**1.6**	1.5	CFS
Free cash flow	**83.8**	69.0	

CFS = Consolidated statement of cash flows

APM	Definition
Underlying CROIC	Cash return on invested capital, represents cash returns divided by the average of gross capital invested (GCI) for the last 12 months. Cash returns represent underlying operating profit before share-based payments subject to tax, then adjusted for depreciation of PPE, right-of-use assets and amortisation. GCI represents gross PPE, right-of-use assets and software, and other intangibles excluding the goodwill created on the acquisition of the Group by KKR (£906,445,000) plus net working capital, before the effect of non-underlying items in the period. It is used as a measure of the level of cash generated from the business. Net working capital movement is a measure of the cash required by the business to fund its inventory, trade and other receivables and payables. Payables includes trade and other payables, income tax payable and other financial liabilities.

Underlying CROIC	FY25	FY24	Note
Cash returns:			
Underlying operating profit	**148.8**	145.5	CIS
Share-based payment charges	**5.9**	5.9	3
	154.7	151.4	
Tax rate	**25%**	25%	
Tax charge on above	**(38.6)**	(37.9)	
	116.1	113.5	
Underlying depreciation and amortisation	**98.8**	101.7	2
Cash returns	**214.9**	215.2	
Gross capital invested (GCI):			
Gross property, plant and equipment	**449.3**	444.7	11
Gross right-of-use assets	**668.9**	662.7	12
Intangibles	**1,050.0**	1,046.4	13
Less KKR goodwill	**(906.4)**	(906.4)	
Investments	**9.7**	9.9	
Net working capital:	**(100.8)**	(106.7)	see definition
Trade and other receivables	**63.3**	60.9	CBS
Inventory	**106.9**	97.5	CBS
Payables	**(262.0)**	(252.4)	CBS
Provisions	**(9.0)**	(12.7)	CBS
GCI (at period end)	**1,170.7**	1,150.6	
Average	**1,160.8**	1,109.2	
Underlying CROIC	**18.5%**	19.4%	

CIS = Consolidated income statement

CBS = Consolidated balance sheet

Glossary – Alternative Performance Measures continued

APM	Definition	Reconciliation

Adjusted net cash

Cash and cash equivalents less the face value of loans and borrowings. Lease liabilities are excluded.

Adjusted net cash (£m)	FY25	FY24	Note
Cash and cash equivalents	**39.5**	57.1	CBS
Loans and borrowings (face value)	**(33.3)**	(48.3)	19
Adjusted net cash	**6.2**	8.8	

CIS = Consolidated income statement

CBS = Consolidated balance sheet

Total indebtedness

Cash and cash equivalents less face value of loans and borrowings plus lease liabilities.

Total indebtedness (£m)	FY25	FY24	Note
Net cash (above)	**6.2**	8.8	
Lease liabilities	**(348.3)**	(380.8)	12
Total indebtedness	**(342.1)**	(372.0)	

Pre IFRS 16 leverage

Adjusted net cash (above) divided by underlying earnings before interest, taxes, depreciation and amortisation ('EBITDA') less expected rental charges. Figures have been presented on a rolling 52 week proforma basis. This measure is important because it is a covenant metric.

Pre IFRS 16 leverage	FY25	FY24	Note
Net cash (above)	**6.2**	8.8	
Statutory operating profit	**136.4**	119.3	
Underlying depreciation of property, plant and equipment	**28.5**	26.5	3
Underlying depreciation of right-of-use assets	**62.2**	65.1	3
Amortisation of intangible assets	**8.1**	10.1	3
Non-underlying depreciation of property, plant and equipment	**–**	4.2	3
Non-underlying depreciation of right-of-use assets	**3.4**	3.7	3
Other non-underlying items in EBITDA	**9.0**	18.3	3
Underlying EBITDA	**247.6**	247.2	
Less:			
Proforma rental charges pre IFRS 16	**(78.1)**	(78.6)	
Underlying EBITDA (pre IFRS 16)[1]	**169.5**	168.6	
Pre IFRS 16 leverage	**(0.0)x**	(0.1)x	

1 *Proforma rental charges pre IFRS 16 cannot be directly referenced in the financial statements as the balance represents 52 weeks (FY24: 52 weeks) of rental charges for each lease held at the balance sheet date.*

Lease adjusted leverage

Total indebtedness divided by underlying EBITDA. Underlying EBITDA has been presented on a rolling 52 week proforma basis.

Lease adjusted leverage	FY25	FY24	Note
Total indebtedness (above)	**342.1**	372.0	
Underlying EBITDA (above)	**247.6**	247.2	
Lease adjusted leverage	**1.4 x**	1.5 x	

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